

Purchasing Week

M c G R A W - H I L L ' S N A T I O N A L N E W S P A P E R O F P U R C H A S I N G

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Vol. 1 No. 33

New York, N. Y., August 18, 1958

\$6 A YEAR U. S.
AND CANADA

\$25 A YEAR
FOREIGN

Ike Disregards Business Lag, Eyes Inflation

Washington—President Eisenhower met with his economic high command again last week. The meeting symbolized a turning point in the government's economic strategy.

For six months, the Administration has been fighting recession—increasing expenditures, accelerating programs, bolstering welfare programs.

Now it is switching to a fight against inflation.

Individual steps to check inflation have already been taken. The Federal Reserve has raised stock margins, and the President delivered a new press conference warning about inflation to unions and business management.

At the meeting in addition to
(Continued on page 21)

Closed Forests and More Building Up Lumber \$4

Tacoma—Closure of Western Washington and Oregon forests to logging operations because of fire danger during a prolonged dry spell, and a national upturn in construction have led to a \$4 rise in prices in recent weeks.

Lumber retailers, fearful of being caught short of customer needs, are buying again even though prices at Northwest mills are at their highest level in nearly two years.

Green fir 2x4's are bringing
(Continued on page 21)

Diamonds on the Job

Industrial diamonds will cut just about any material on earth including diamonds. Because of this great versatility more and more companies are finding jobs for them. For a few of the many applications see the picture spread on pages 12 and 13.

Teamster Strike Tying Up West

San Francisco—A paralyzing teamster strike that resulted in a series of lockouts by employers groups last week has now spread through 11 Western states tying up virtually all long-haul and pickup and delivery operations.

Rail shipping has also been hampered and industry officials say western economy could be seriously affected if the strike continues. It involves only "for hire" motor carriers and thus far has not spread to operations of privately owned fleets or local drayage companies.
(Continued on page 22)

Synthetic Rubber Firms Praised for Competition

Washington — The nation's producers of synthetic rubber and its component materials last week won some praise for the competitive zest with which they conduct their business. The pat on the back came from U. S. Attorney
(Continued on page 21)



EIGHTY-FIVE-CENT WASTEBASKET will do nicely instead of \$6.40 one, Fred Calin, purchasing agent, and Deputy Mrs. J. W. Lindstrom, agree.

Los Angeles County P.A. Furnishes Courthouse Despite Budget Slash

Los Angeles—The new \$22 million Los Angeles County Courthouse will be completely furnished when it opens for business in October only because a never-say-die purchasing agent refused to be handicapped by a phenomenal budget cut.

When setting the budget last year, the county board of supervisors had authorized \$1,600,000 for furnishings. Then one of the supervisors decided to review the estimates of those furnishings selected by the courthouse's prospective tenants, and he questioned a \$6.40 item for wastebaskets in the judges' chambers.

He felt this was extravagant since county stores had wastebaskets in stock that cost only 85¢ each. After informing the board members, they agreed that if this estimate was extravagant so must be the others. And without further review, they lopped the budget in half.

They left it to Fred Calin, county purchasing agent, to figure
(Continued on page 22)

Metal Imports Facing Tariffs?

Washington—The Tariff Commission has undertaken broad surveys to measure the impact of foreign import competition on domestic markets for iron ore, mercury, and tungsten.

Specifically ordered by the Senate Finance Committee, these studies were requested by domestic producers before final passage of the Reciprocal Trade Agreements Act Extension Bill. They represent one of the many ways in which domestic producers are seeking new tariff protection.

Since 1953, when peak U. S.
(Continued on page 21)

Auto Industry Strike at Ford Likely in Fall

Detroit—With the stage legally set for an auto industry strike at any time, growing indications point to it hitting late next month. The likely target is the Ford Motor Company.

The industry will be most vulnerable then, with 1959 model production starting to roll into high gear. An important factor favoring Walter Reuther's United Auto Workers is a definite upturn expected in car sales.

One source close to the industry told PURCHASING WEEK: "This will be the first and severest test of President Eisenhower's recent warning to labor and management on continued wage-price increases."

Actually, Reuther does not want a strike. He as much as said so in his recent speeches. But, for prestige reasons, he cannot afford to accept the only offer made by the big three since negotiations started last March, extension of the existing contract for two years.

When strike votes were taken Aug. 9 by the U.A.W. Chrysler,
(Continued on page 22)

Steel Clarification To Take Weeks

Pittsburgh — Although steel producers have now put higher prices into effect on close to 90% of all steel mill items, it may be several weeks or more before they wrap up the loose ends.

Meanwhile, the Justice Department is pushing ahead with its investigation of the price boosts. Assistant Attorney General Victor R. Hansen is still considering impaneling a grand jury to seek evidence for prosecution under the anti-trust laws.

But Senator Kefauver's Monopoly and Anti-Trust Subcommittee, after its resounding two-day blast at the steel industry,
(Continued on page 3)

—This Week's—

Purchasing Perspective

AUG. 18-24

An "impossible" challenge rarely misses separating the men from the boys. It forces one to give his very best and then dig down deep for more. When accepted and accomplished, it brings swift recognition.

Purchasing executives are challenged eight hours a day, five days a week, 52 weeks a year. It is almost routine. Then suddenly a really big challenge comes along. Where once they thought their accomplishments went unnoticed, they suddenly find everyone looking over their shoulder. This is where they must make it count.

Not long ago the purchasing agent for Los Angeles (Calif.) County found himself in just such a spot (see story above). He accepted the challenge and accomplished an "impossible" task. This was governmental purchasing. Even greater challenges arise in industrial purchasing.

The recession to which everyone's now waving "goodbye" proves the point. P.A.'s suddenly found themselves with huge inventories, high transportation costs, and perhaps even with department cutbacks. Management's eyes opened wide and purchasing agents began stockpiling greater recognition.

Now that everyone's waving "hello" to inflation, purchasing may find itself in for even a bigger challenge.

Industrial management is starting to yell as loud as anyone
(Continued on page 21)

Package Freight Revived on Lakes; First Move Around Labor Day

Duluth, Minn. — Package freight shipments are being revived on the Great Lakes after almost two decades. The first vessel will leave here for Buffalo around Labor Day.

A modified "fishyback" system will be used. All cargo will be placed in steel containers. They will be locked, and placed on the vessel. This is expected to minimize damage and theft.

Spearheading the program is a Duluth businessmen committee called Great Lakes Package Freight, Inc.

The idea was first proposed early this year by Jeno F. Paulucci, president of Chun King, a Minnesota food producing company (P.W. Feb. 24, p 14). It was quickly backed up by many Upper Midwest manufacturers and several carriers in the Great Lakes region.
(Continued on page 21)

Let's Drink A Toast

Should you use the water cooler or an extra-dry martini for the toast?

You'll know after you read a PURCHASING WEEK special report in next week's issue. P.W. editors interviewed Dr. Harry J. Johnson, director of Life Extension Institute, and asked him the very questions you want answered. Here are just a few examples:

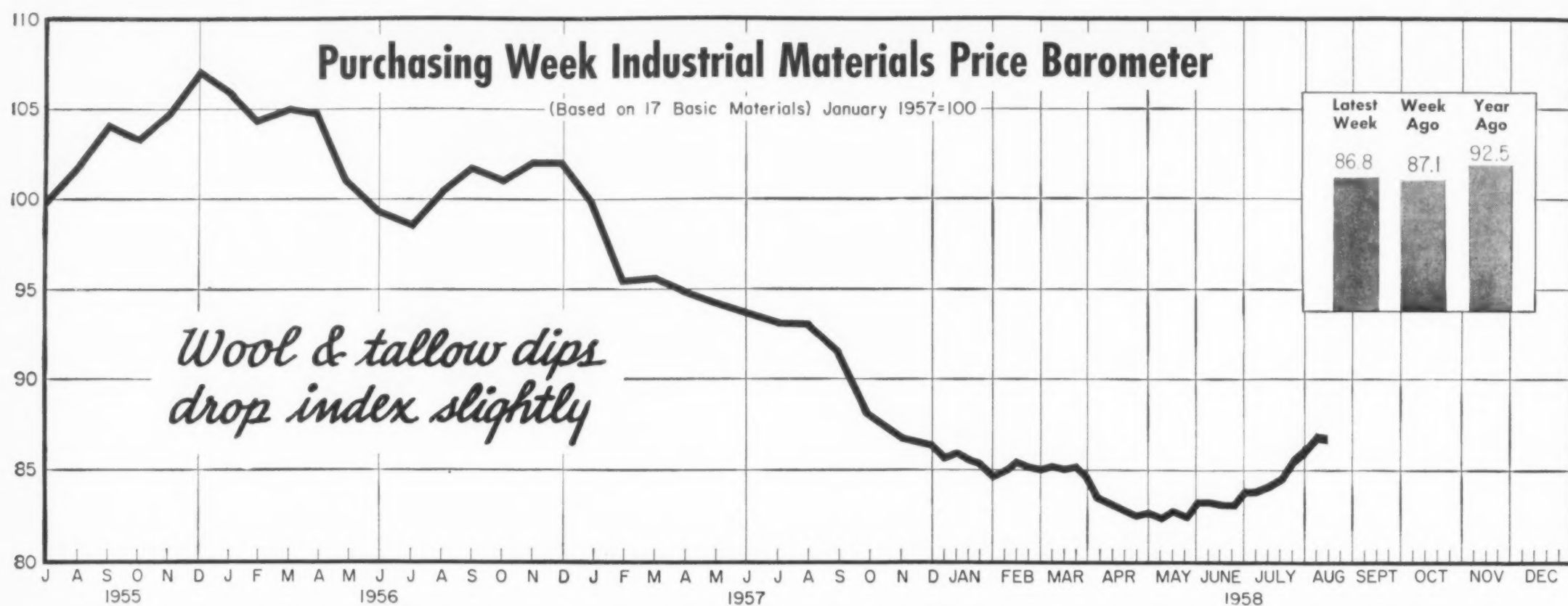
Should I have a cocktail or two at lunch? How about a drink in the evening? Should I just sit and rest on weekends or should I be a weekend athlete?

Yes, you'll get the answers,

"To Your Health"



from a man who has counseled thousands of executives. Look for "To Your Health" in next week's issue.



This index was designed by the McGraw-Hill Department of Economics to serve as an overall sensitive barometer of movements in industrial raw

material prices. The index is not intended to give price movements of specific commodities. The items used are important only in that, together, they re-

reflect the current general market trend in sensitive industrials. Weekly prices for most of the items covered are published in "Commodity Prices" below.

- This Week's

Price Perspective

AUG. 18-24

"Everybody talks about inflation but nobody seems to be able to do anything about it."

That's a comment heard quite frequently these days. But it's one that's not entirely true. As the story on page one indicates, the Administration is going after the rising cost of living with no holds barred.

Yet prices at the consumer level continue to inch upward. The June Consumer Price Index stood at 123.7 (1947-49 equals 100), 2.9% higher than a year earlier.

And purchasing executives must face the fact that despite the possibility of a leveling off after the summer, industrial items will probably continue to rise slowly in price.

The PURCHASING WEEK Industrial Wholesale Price Index, page 4, jumped .2% in July, the fifth consecutive monthly boost. And certain metal and fuel price increases are likely to cause a similar rise this month.

Economists have a number of valid reasons for this steady climb in prices which has come to 2%-3% yearly over the past 10 years.

They include:

- Labor unions, making full use of the bargaining power that near-full employment makes possible, push up wages faster than gains in productivity.
- Generally cheap credit and bigger government spending create market conditions in which industry can advance tags and finance higher costs.
- The cost of services such as transportation, recreation, and medical care, have been rising with little restraint. And it's just these areas where modern, labor-saving equipment is most difficult to introduce.
- Government spending—federal, state, and local—has continued to rise. It's jumped some 80% in the last eight years. This has brought Washington face to face with a deficit of some \$9-\$11 million for the current fiscal year.

The last point deserves a closer look. For deficits in themselves are inflationary. To finance a deficit, the government usually puts more money in circulation. And with more money around, prices of goods are likely to rise.

With the current world situation as it is, chances of any major near-term cutback on government spending are just not in the cards. So the Administration must turn to other fiscal devices at its disposal to hold back the inflationary spiral.

But despite the actions of the Federal Reserve Board and the President's warning to both industry and labor to hold the wage-price line, creeping inflation is not likely to be permanently stayed.

And the alternative anti-inflationary steps of mandatory wage and price controls are not likely to be used under the present circumstances.

For P.A.'s, it means that detailed analysis of specific items and buying situations will become more and more important as prices generally move upward.

And don't be misled by the figures of many of the price indexes that come across your desk. For many of them include food and other product areas not purchased by the average P.A.

Only specially constructed indexes such as the PURCHASING WEEK Industrial Wholesale Price Index can give you the accurate spot picture on the average costs of industrial buying.

This Week's Commodity Prices

	Aug. 6	July 30	Year Ago	% Yrly
METALS				
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	67.00	-1.5
Steel, billets, Pitts. net ton	80.00	77.50	77.50	+3.2
Steel, structural shapes, Pitts., cwt	5.275	5.275	5.275	0
Steel, structural shapes, Los Angeles, cwt	5.975	5.975	5.975	0
Steel, bars, del., Phila., cwt	5.975	5.725	5.715	+4.5
Steel, bars, Pitts., cwt	5.675	5.425	5.425	+4.6
Steel, plates, Chicago, cwt	5.10	5.10	5.10	0
Steel scrap, #1 heavy, del. Pitts., gross ton	44.50	41.50	55.50	-19.8
Steel scrap, #1 heavy, del. Cleve., gross ton	40.00	38.50	52.50	-23.8
Steel scrap, #1 heavy, del. Chicago, gross ton	43.50	42.50	54.00	-19.5
Aluminum, pig, lb	.247	.247	.26	-5.0
Secondary aluminum, #380 lb	.218	.213	.232	-6.0
Copper, electrolytic, wire bars, refinery, lb	.252	.261	.281	-10.3
Copper scrap, #2, smelters price, lb	.213	.218	.22	-3.2
Lead, common, N.Y., lb	.11	.11	.14	-21.4
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	1.05	-29.5
Tin, Straits, N.Y., lb	.948	.958	.943	+5
Zinc, Prime West, East St. Louis, lb	.10	.10	.10	0
FUELS				
Fuel oil #6 or Bunker C, Gulf, bbl	2.25	2.25	2.55	-11.8
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.57	2.57	2.95	-12.9
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.50	2.50	2.85	-12.3
LP-Gas, Propane, Okla. tank cars, gal	.04	.04	.035	+14.3
Gasoline, 91 oct. reg. Chicago, tank car, gal	.125	.125	.13	-3.9
Gasoline, 84 oct. reg. Los Angeles, rack, gal	.12	.12	.136	-11.8
Coal, bituminous, slack, ton	5.75	5.75	6.05	-5.0
Coke, Connellsville, furnace, ton	15.25	15.25	15.25	0
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton	82.50	82.50	82.50	0
Benzene, petroleum, tanks, Houston, gal	.31	.31	.36	-13.9
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.30	+11.6
Coconut oil, inedible, crude, tanks, N.Y. lb	.149	.15	.126	+18.3
Glycerine, synthetic, tanks, lb	.278	.278	.28	-.7
Linseed oil, raw, in drums, carlots, lb	.173	.173	.168	+3.0
Phthalic anhydride, tanks, lb	.205	.205	.205	0
Polyethylene resin, high pressure molding, carlots, lb	.325	.325	.35	-7.2
Rosin, W.G. grade, carlots, f.o.b. N.Y. cwt	9.70	9.70	9.15	+6.0
Shellac, T.N., N.Y. lb	.31	.31	.34	-8.8
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	26.50	-11.3
Sulfuric acid, 66° commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, unedible, fancy, tank cars, N.Y. lb.	.084	.085	.085	-1.2
Titanium dioxide, anatase, reg. carlots lb	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng finish, Untrimmed, carlots, CWT	17.00	17.00	16.70	+1.8
Bond paper, #1 sulfite, water marked, 20 lb carton lots, CWT	24.20	24.20	24.20	0
Chipboard, del. N.Y., carlots, ton	100.00	100.00	100.00	0
Wrapping paper, std, Kraft, basis wt. 50 lb rolls	9.00	9.00	9.25	-2.7
Gummed sealing tape, #2, 60 lb basis, 600 ft bundle	6.40	6.40	6.60	-3.0
Old corrugated boxes, dealers, Chicago, ton	21.00	21.00	19.00	+10.5
BUILDING MATERIALS				
Brick, del. N.Y., 1000	41.25	41.25	41.25	0
Cement, Portland, bulk, del. N.Y., bbl	4.26	4.26	4.38	-2.7
Glass, window, single B, 40" Bracket, box	7.00	7.00	7.09	-1.3
Southern pine lumber, 2x4, s4s, trucklots, fob N.Y.	120.00	120.00	116.00	+3.4
Douglas fir lumber, 2x4, s4s, carlots, fob Chicago	126.00	124.00	118.00	+6.8
TEXTILES				
Burlap, 10 oz, 40", 100 yd	10.80	10.90	10.70	+.9
Cotton, 1 Middling, N. Y., lb.	.364	.365	.353	+3.1
Printcloth, 39", 80x80, N.Y., spot, yd	.177	.177	.179	-1.1
Rayon, satin, acetate, N.Y., yd	.268	.265	.298	-10.1
Wool tops, N.Y. lb	1.58	1.60	1.94	-18.6
HIDES AND RUBBER				
Hides, cow, light native, packers, lb	.15	.15	.15	0
Rubber, #1 std ribbed smoked sheets, lb	.291	.288	.328	-11.3

Steel Price Increase Here to Stay; Rising Demand Dooms Any Relief

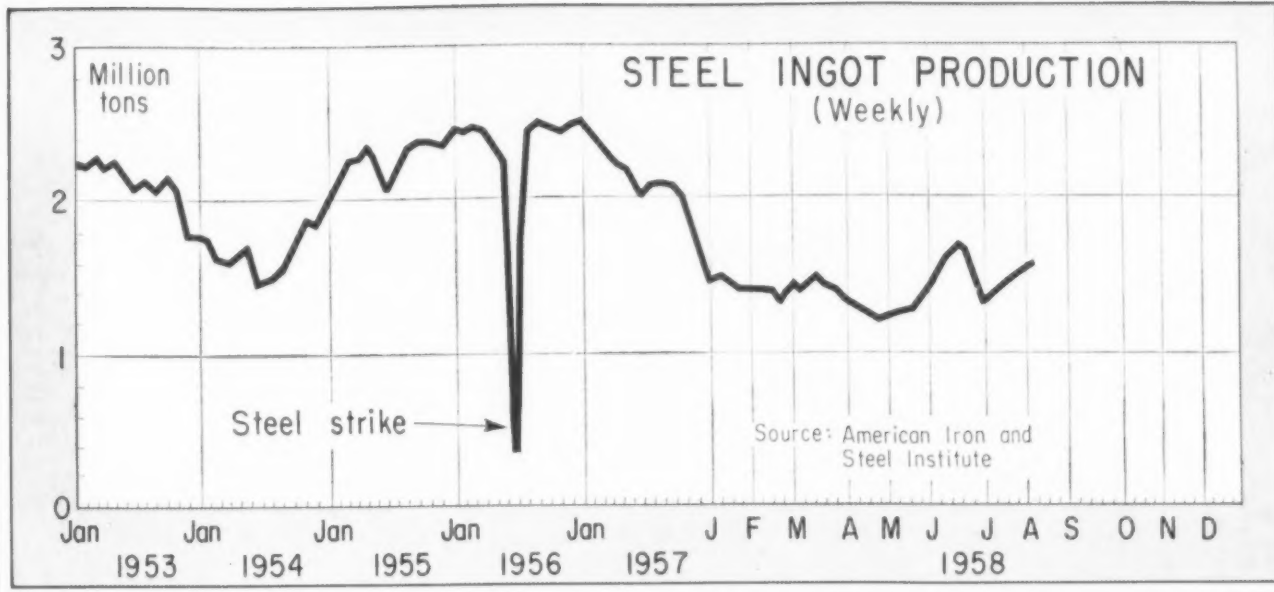
Pittsburgh—With the recent steel price increase having settled at around 3% or \$4.50 a ton, it's a good time to look and see what the near-term future holds.

The boost, which covers most major steel shapes, will not be rescinded, and buyers can't expect discounts or to have freight absorbed by sellers.

Buyers also can't expect opposition on the part of certain governmental agencies and individuals to pressure lower tags.

Predictions of "reduced demand" because of the price boost just don't seem to hold water. Demand has continued to increase, and output looks as though it will continue to rise through the middle of the fourth quarter.

The chart at the right shows how production has been increasing since the beginning of July. The industry is now running just below 60%. And that figure could rise to 75% by November.



Steel Clarification To Take Weeks

(Continued from page 1) has apparently dropped the matter. Kefauver says he may resume hearings later this fall.

One of the most conspicuous "loose ends" is stainless steel which accounts for only about 1% of total shipments, by weight, but generates nearly 10% of the industry's sales volume.

Last week, U. S. Steel announced what appeared to be a price cut on one stainless product, plates, but no action at all was taken on stainless strip, sheet, bars, and wire. Nor have any other producers followed this move.

The leading producer said it was cutting mill prices on stainless plates by 6%. This stirred many steel consumers to hope that the march toward higher prices had been halted, and even perhaps, that producers would rescind some of the other increases.

Study Shows False Hopes

A closer study of the reduction proved these hopes to be false. While offering the lower price, U. S. Steel eliminated jobber discounts and allowances and made adjustments in quantity differentials.

The net effect of these changes, informed sources believe, is that jobbers will not be able to undercut the mill price.

Further, the adjustments in the quantity differentials will mean that a steel warehouse will be able to buy stainless plates, in large lots, at a price which will give a profit for functioning as a warehouse.

On stainless strip and sheet, hard hit by the lag in auto demand, a price increase is still likely. Producers are weighing three considerations before moving:

- They would like demand to perk up a little more.
- They are fearful of an auto strike.
- They are trying to get a better line on aluminum price changes in those products that compete directly with stainless. These would be auto trim, building panels, and stampings for appliances.

The most important carbon steel product still awaiting price action is tin plate. The assumption is producers will wait until late this month before announcing an increase.

Other carbon steel products not yet boosted include rails, nails, and some wire products.

On rails, demand is so slow that no producer is in any hurry to rock the boat.

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SOUTHERN KRAFT DIVISION
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Washington Perspective

AUG. 18-24

As congressmen get ready to head for home and face the voters, they aren't sure what's going to hurt or help them at the polls in November.

The recession seems to be about over, but they aren't sure they can rely on the economists' cautious predictions. They hear that business may still be dragging along in the fall, and they also hear that the boom may be on again, for all to share in.

There's no doubt that Administration officials are turning their attention to inflation. Eisenhower's top advisors fear there is a widespread feeling that prices are bound to rise, whether slowly or swiftly. And they fear that if this kind of psychology really takes hold, people will begin swapping their available dollars and available credit in a hurry for goods, as an anti-inflation hedge. This in turn, they say, would give the incipient inflationary trend a dangerous upward shove (see p. 1)

During its last days, Congress can't do much to change the course of the business outlook for the next six months. The big spending bills are already voted. Defense appropriations account for nearly \$40 billion, roughly half the entire federal budget, and \$5.2 billion more than Congress voted last year.

To appraise the Washington mood these days, consider the negative side, that is, the things Congress passes over, as well as what it does enact.

Keep in mind that this is the end of the 85th Congress, and that any bill that didn't make the grade in the first or the second session (this year) now is literally dead. To make the grade hereafter, such a bill will have to go all the way through the legislative mill from scratch—fresh introduction, new hearings, etc.

Here are some of the significant cast-offs this year:

The Renegotiation Act. This is the law under which the government has recovered something more than \$700 million in excess profits from private contractors since 1951. This year, the Administration sought a two-year extension, through 1960, but had to settle for a six-month extender that puts the new expiration date at June 30, 1959. Business generally opposes keeping the law on the books; Congress will study the business objections thoroughly early next year.

Tough labor reform legislation. Politics got in the way this year. Next year? Big labor is worried. The Senate's corruption disclosures have caused a trend to set in that can spell trouble for organized labor.

Anti-merger proposals. Widespread business opposition and a downturn in the number of mergers and difficulties in drafting a technically sound bill stalled legislation to require merging companies to notify the Justice Department in advance.

Natural gas. This old perennial, to exempt natural gas production from federal regulation, may be dead forevermore.

Fair trade legislation. Retail druggists are building up an intense lobby to put the heat on next year for a national fair trade law. Congress is leery of anything that smacks of "price fixing," and probably will be hard to convince.

Federal aid to school construction. It has no chance in the foreseeable future and will be taken seriously only if and when the furor over integration of public schools dies down.

Statehood for Hawaii. An uphill battle faces this one in the 86th Congress.

Price discrimination. The Senate Judiciary Committee this session approved a narrow bill that would have recognized good faith as a defense against price discrimination charges in food, drug and cosmetics cases. The bill never got to the floor. Next year it will have to start all over afresh.

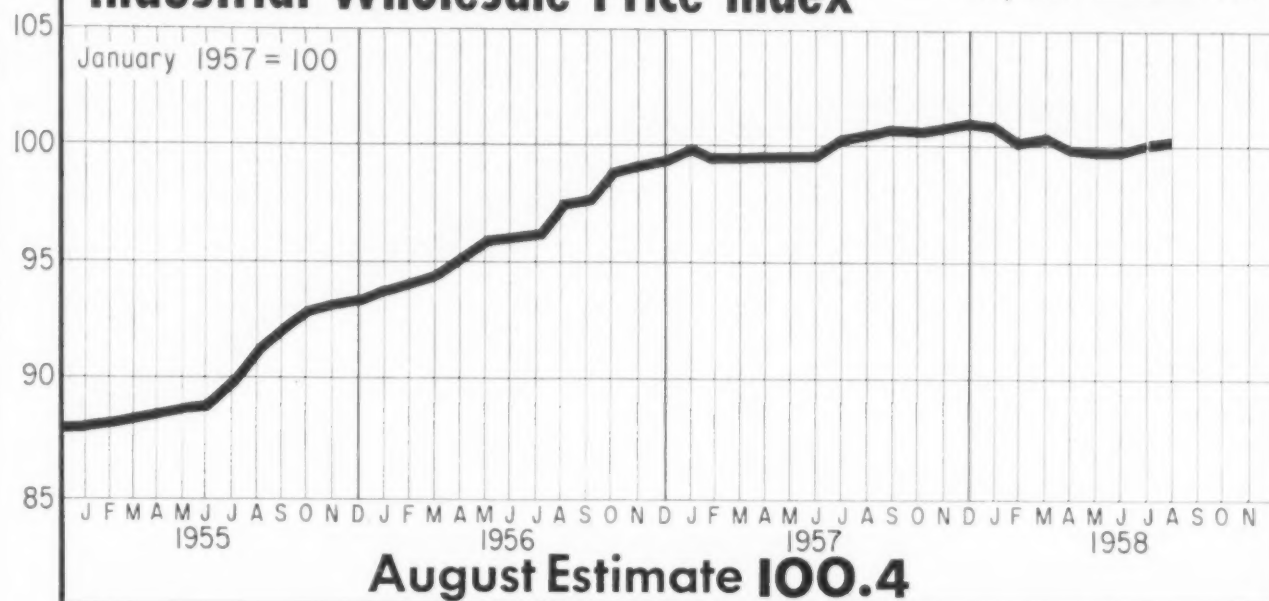
Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	1,656	1,586*	2,062
Autos, units	66,085	62,846*	118,864
Trucks, units	15,138	16,276*	18,279
Crude runs, thous bbl, daily aver	7,597	7,727	8,008
Distillate fuel oil, thous bbl	11,730	11,754	12,077
Residual fuel oil, thous bbl	6,641	7,101	7,548
Gasoline, thous bbl	27,589	28,693	27,797
Petroleum refineries operating rate, %	82.6	84.1	89.0
Container board, thous tons	150,247	155,807	145,654
Boxboard, thous tons	138,627	143,341	133,808
Paper operating rate, %	87.8	88.5*	89.9
Lumber, thous of board ft	247,661	243,546	240,145
Bituminous coal, daily aver thous tons	1,296	1,309*	1,625
Electric power, million kilowatt hours	12,707	12,619	12,070
Eng const awards, mil \$ Eng News-Rec	336.9	514.0	411.9

* Revised

Purchasing Week's Industrial Wholesale Price Index

July 1958 100.2
June 1958 100.0
July 1957 100.4



The July rise of .2% was stimulated by increases in the wholesale price of gasoline and industrial wire and cable. With increased industrial demand and anticipation over the Mid-East situation; gasoline and fuel oil tags will probably rise in August. Along with higher steel tags, they should help hike index again.

Price Changes

Lead—Lead tags dropped to 10 $\frac{3}{4}$ ¢ a lb. last week, their lowest level in more than eight years. The $\frac{1}{4}$ ¢ a lb. cut reflected slack demand and weakness in lead prices in London.

Quicksilver—Tags of quicksilver on the U.S. market rose by \$4 a 76 lb. flask last week. It leaves the 76 lb. flask price at \$239.

Stainless Steel—The United States Steel Corp. has dropped the price of stainless steel plates by an average of 6%. The company gave "competitive market conditions" as the reason for the price cut.

Anhydride—Allied Chemical's National Aniline Division has reduced prices of dodecyl succinic anhydride from \$0.89 to \$0.75 per lb in truckload lots. Smaller quantities have been reduced from \$0.90 to \$0.76 per lb., all prices being based on delivery east of Denver. The price reduction is the result of increased sales and production.

Fuel Oil—Major suppliers raised all middle distillate fuel oil prices by .3¢ a gal. in marketing areas from Maine to Louisiana. The increase, second in a month, includes kerosene, No. 2, and diesel oils.

Beryllium Alloys—Beryllium Corp. last week, raised its base prices for wrought and cast beryllium copper alloys by 4 $\frac{1}{2}$ ¢ a lb. The boost represents about 2% in the selling price of strip, rod, bar, wire, billets, and casting ingots. The rise is reportedly due to increased costs of raw materials, supplies, and labor.

Tubing—Upped tags for seamless carbon and alloy, mechanical and pressure tubing have been announced by the Babcock & Wilcox Co. The boosts average 3 $\frac{1}{2}$ % and are due to increased costs of raw materials and labor.

Xylene—Major producers have cut xylene tags by 5¢ a gal., or nearly 15%. The reductions cover both petroleum-derived and cokeoven-derived products, and were attributed to competitive conditions.

This Month's Industrial Wholesale Price Indexes

Item	July 1958	June 1958	July 1957	% Yrly Change
Cotton Broadwoven Goods.....	93.7	94.1	97.5	- 3.9
Manmade Fiber Textiles.....	97.6	97.9	99.8	- 2.2
Leather	103.8	104.1	104.6	- .8
Gasoline	96.2	93.0	101.4	- 5.1
Residual Fuel Oils.....	77.4	77.4	100.0	-22.6
Lubricating Oils	96.7	98.0	106.7	- 9.4
Inorganic Chemicals	102.0	102.0	100.6	+ 1.4
Organic Chemicals	98.4	99.0	99.8	- 1.4
Prepared Paint	103.3	103.3	103.2	+ .1
Tires & Tubes.....	102.2	102.2	100.1	+ 2.1
Rubber Belts & Belting.....	99.3	99.3	99.9	- .6
Lumber Millwork	98.9	98.8	99.7	- .8
Paperboard	99.9	99.9	100.0	- .1
Paper Boxes & Shipping Containers	101.9	101.9	100.8	+ 1.1
Paper Office Supplies	101.2	101.2	101.2	0
Finished Steel Products.....	106.1	106.1	106.1	0
Foundry & Forge Shop Products.	104.7	104.8	100.8	+ 3.9
Non Ferrous Mill Shapes.....	90.4	90.2	92.3	- 2.1
Wire & Cable.....	82.6	81.9	93.3	-11.5
Metal Containers	105.6	105.6	103.6	+ 1.9
Hand Tools	107.0	107.0	101.2	+ 5.7
Boilers, Tanks & Sheet Metal				
Products	97.9	98.3	99.2	- 1.3
Bolts, Nuts, etc.....	109.5	109.5	107.5	+ 1.9
Power Driven Hand Tools	103.2	103.2	100.2	+ 3.0
Small Cutting Tools.....	103.0	101.7	100.5	+ 2.5
Precision Measuring Tools.....	106.1	106.1	104.3	+ 1.7
Pumps & Compressors.....	105.0	105.0	100.4	+ 4.6
Industrial Furnaces & Ovens.....	111.3	111.3	108.1	+ 3.0
Industrial Material Handling				
Equipment	103.1	103.1	101.9	+ 1.2
Industrial Scales	104.8	104.8	102.3	+ 2.4
Fans & Blowers.....	103.2	103.2	101.6	+ 1.6
Office & Store Machines &				
Equipment	103.2	103.2	101.6	+ 1.6
Internal Combustion Engines.....	103.5	103.5	100.7	+ 2.8
Integrating & Measuring Instru-				
ments	110.9	110.9	105.2	+ 5.4
Motors & Generators.....	104.5	104.5	101.6	+ 2.9
Transformers & Power Regulators.				
Switch Gear & Switchboard				
Equipment	105.7	105.7	101.5	+ 4.1
Arc Welding Equipment.....	104.9	104.9	101.3	+ 3.6
Incandescent Lamps.....	110.0	110.0	110.6	- .6
Motor Trucks	105.8	105.9	101.4	+ 4.3
Commercial Furniture	105.0	105.0	104.6	+ .4
Glass Containers	106.3	106.3	100.0	+ 6.3
Flat Glass	100.0	100.0	100.0	0
Concrete Products	102.3	102.3	100.6	+ 1.7
Structural Clay Products	103.3	103.3	103.0	+ .3
Gypsum Products	104.7	104.7	100.0	+ 4.7
Abrasive Grinding Wheels.....	100.3	100.3	94.1	+ 6.6
Industrial Valves	102.6	101.5	102.5	+ 8.1
Industrial Fittings	102.6	104.6	97.6	+ 5.1
Anti-Friction Bearings & Com-				
ponents	99.2	99.2	100.0	- .8

N.A.P.A. District 2 Workshop Stresses Local Sessions Agenda

Dallas, Texas—"Any time you can cause one person to become something better, you have helped yourself and the purchasing profession." This comment by Fred D. Bradley, N.A.P.A. District 2 vice president, keynoted the district's committee workshop held here July 18-19.

Workshop sessions designed to achieve more effective programs on the local level were under the direction of district chairmen of the education, public relations, and value analysis-standardization committees.

Harold A. Berry, N.A.P.A. national chairman of the education committee, spoke at the kick-off breakfast and at the education workshop which followed. The group's topic was how to get colleges to offer courses in purchasing and what these courses should teach. Don Thompson, Pangburn Candy Co., Fort Worth, said his association encourages college professors of courses relating to purchasing to become members. He suggested it might be worthwhile for an association to pay the expenses of such members if necessary to get them to join.

A panel of seminars and a brainstorming session on local problems produced recommendations that P.A. association members make themselves available for lectures to college classes and encourage college students to visit their purchasing departments.

The education workshop sessions were led by District education chairman G. E. Brooke, E.

Weber Named President By P.A.A. of Erie

Erie, Pa.—Herman C. Weber, Hammmill Paper Co., was elected president of the Purchasing Agents Association of Erie succeeding Raymond E. Mildenberger, Erie Bolt & Nut Co., who was named national director.

Other officers for the 1958-59 season include: William L. Thayer, Autoclave Engineers, Inc., vice president; Joseph F. Becker, Erie Brewing Co., secretary; and Kenneth Patterson, Kaiser Aluminum & Chemical Corp., treasurer.

The association held its annual summer golf party July 31st at Culbertson Hills Country Club under the chairmanship of Jim Lieb.

Greater Lafayette P.A.A. Names Abbett President

Lafayette, Ind.—H. B. Abbett, National Homes Corp., was named president of the Purchasing Agents Association of Greater Lafayette for the 1958-59 season.

Other officers are D. Francis Finn, Purdue University, vice president; Thomas J. Lang, Berger Steel Co., secretary; and James L. Thompson, Eli Lilly & Co., treasurer.

Now in its second year of existence, the association expects soon to meet the requirements for affiliation with N.A.P.A.

I. du Pont de Nemours & Co., Orange, Texas.

A. J. Sisto, Prudential Co. of America, District public relations chairman, told his group of the newsletter published by the Houston association and recommended a similar publication for other associations.

In order to improve communications, the group decided to exchange announcements and newsletters, and also forward them to

the national association office.

R. J. Hood, Jr., Republic Supply Co., Oklahoma City, District 2 chairman of the value analysis-standardization committee, recommended that monthly association meetings incorporate "quickies" showing how value analysis benefited a local purchasing department.

Hood said he plans to publish a monthly news letter based on returns from questionnaires which will be sent to all district associations.

Forty P.A.'s representing 10 associations attended the two-day workshop hosted by the Dallas Purchasing Agents Association.

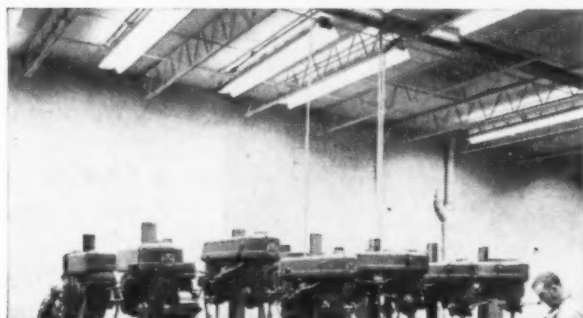


THE DAY'S PROGRAM at the N.A.P.A. District 2 Workshop gets quick review from Harold A. Berry, left, education chairman; Fred Bradley, district vice president; and Ben Newberry, former N.A.P.A. head.

Whatever you want from higher output fluorescent lighting...others are already getting...with G-E POWER GROOVES!



THESE SATISFIED POWER GROOVE CUSTOMERS EACH WANTED
SOMETHING DIFFERENT...AND ARE GETTING IT!



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WHY POWER GROOVES? To get more light (7½ times as much) from the same number of 40-watt lamps.



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WHY POWER GROOVES? To get higher, more economical production lighting levels (160 footcandles), with no need for supplemental lighting.



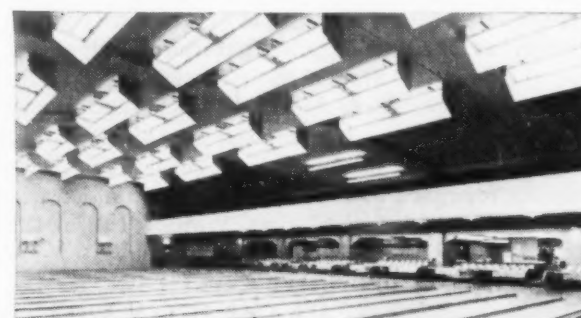
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WHY POWER GROOVES? To provide Pla-Mor lanes with a revolutionary, glare-free lighting system—superior to that in any other bowling center.

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because our customers are. Call your local General Electric Lamp representative right now and let him explain the whole Power Groove story to you. Or write: General Electric Co., Large Lamp Dept. C-839, Nela Park, Cleveland 12, Ohio.

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Elmira to Host District 8 Meet

Elmira, N. Y.—The Elmira Purchasing Agents Association will host members of N.A.P.A. District 8 at a district conference here Oct. 16-17.

Conference theme will be "Purchasing's Challenge" and the program will feature talks by several leaders in the purchasing field as well as representatives of business, education, and politics.

Ralph P. Baker, Jr., Corning Glass Works, president of the

Elmira group, will be conference chairman, and J. Dukehart Chesney, 8th District vice president, will serve as honorary chairman. H. E. Putnam, past president of the Elmira group now serving as national director, will be vice chairman at the district conference.

A. Kemp Stevens, director of purchases for Aircooled Motors Inc., Syracuse, N. Y., is handling arrangements for exhibitions, with booth space still available to suppliers. Reservation applications from conference participants are now being prepared by C. E. Woodhouse, president of Brady Electric Co., Elmira and his committee.

Buffalo P.A.A. Stages Annual Golf Outing

Buffalo, N.Y.—The Purchasing Agents Association of Buffalo's annual golf outing drew 60 golfers and 88 for dinner at the Lancaster Country Club here July 24.

Ray Holland scored 81 for the low gross price, Don Whelan's 82 placed second. Among the guests, Joseph Zahm was low with a 75.

Fifty-five prizes awarded including a tool chest as door prize. Paul Braun was chairman and Robert Bolkman, assistant Chairman of the outing.

P.A.'s Review Specialized Problems At Alabama P.A.A. Panel Program

Birmingham, Ala.—A panel of five purchasing agents in specialized fields presented side lights of their individual problems at the July 24 luncheon meeting of the Purchasing Agents Association of Alabama.

Mrs. Bernice Cohron, University Hospital, compared institutional procurement to that of buying for a hotel. She said one major problem is that the necessity for the items purchased could be a matter of life or death.

George H. Cole, Alabama Power Co., stated the major difference between utilities procurement and purchasing for other fields is that utility purchasing deals more in capital or durable goods. The utility P.A. must face long term deliveries, and escalation is another big factor, he pointed out.

Distributor Purchasing Aired

In describing distributor procurement, Robert Duquette, Moore-Handley Hardware Co., said a distributor's three basic purposes are to buy, warehouse, and sell. The P.A. is responsible for the collecting, weighing, merchandising, cataloging and following through on each different purchase. He said warehouse space must be assured before an order can be issued for the purchase of an item.

Inventory Constant Problem


In manufacturing procurement, Carl Dreher, American Cast Iron Pipe Co., stated inventory control is a constant problem. He stressed the importance of good communications between management, purchasing, and operations to keep production going. In his business, Dreher said he must study market conditions daily.

Competitive bids are the major factor in governmental purchasing, said George L. Wilson, in charge of purchasing for Jefferson County. He said that competitive bidding is the keystone of public purchasing. Governmental buyers live in glass houses and must conduct their departments and themselves accordingly.

N.A.P.A. District 1 Units Plan Year's Program

San Francisco, Calif.—More than 30 representatives of local associations of N.A.P.A. District 1, met for a workshop session here July 29. Value analysis-standardization, public relations, and education programs were formulated for the coming year.

The delegates, including representatives from Northern and Southern California, Washington, Oregon, Utah, and Arizona associations, heard Gordon B. Affleck, N.A.P.A. president, in a luncheon address.



H-3 Face Shields

FEATURES

- Trouble-Free Window Interchange
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AO "H" Series Face Shields (H-3 shown) provide quality protection when sawing metal, working with chemicals, sanding, grinding, etc. Slotted window with patented floating snap fasteners assures easy window alignment and prevents window buckling in heat — low window replacement. Deeper spark deflector protects forehead. Real leather sweatband snaps in and out for quick and easy cleaning. Extended window clears nose and increases ventilation. Window can be thrown back.

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AO 750 LENS CLEANING STATION

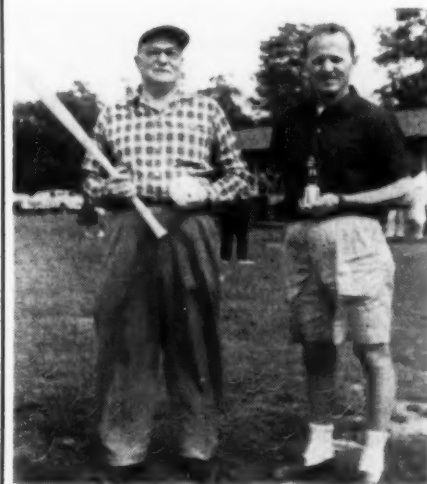
Helps eye protection pay off! Supplies all necessary cleansing and anti-fog materials in a small, compact cabinet which provides for disposal. Made from selected hardwood. 12" x 9" x 6". Attaches to wall at handy plant locations. Complete unit consists of: 6-oz. bottle and sprayer, two boxes of cleaning tissue, one 1 oz. jar of anti-fog paste. NEW AO Super-Clear Antifog Fluid can be used with this cabinet.

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Safety Service Centers
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DUANE WARSTLER, right, holds trophy his "fumble ball" team won by beating team managed by L. D. Bowman. Game was played at Canton P.A.'s picnic.

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IN WIRE ROPE

*Herringbone**

*two
ropes in
one!*

Here is a combination that has proved itself during three years of field testing. A welcome addition to Roebing's great line of wire ropes, Royal Blue *Herringbone* is both a regular lay and lang lay wire rope!

So, in one rope you have the greater flexibility and abrasion resistance of lang lay construction *plus* regular lay's superior stability under severe operating conditions.

Preformed *Herringbone* is made of two *pairs* of lang lay strands, and two strands of regular lay which separate the two pairs of lang lay—all of it made of Type 1105 rope wire.

For three years *Herringbone* has been used for general hoisting, holding and

closing lines, shovel ropes, wagon scraper ropes and dragline ropes. Without reservation, its performance has been superior to that of any other rope used for the same jobs... even in the hands of inexperienced personnel! *Its proven capabilities clearly suggest its use for all jobs where steel core ropes are normally used.*

See your Roebing salesman for all the facts or write Wire Rope Division, John A. Roebing's Sons Corporation, Trenton 2, New Jersey. Roebing *Herringbone*, the two-in-one rope to meet the *doubly* stringent demands of today's economy.

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HERRINGBONE

WIRE ROPE

Need Space, P.A.'s? Mobile Storage Unit Can Solve Problem

Many purchasing agents, faced with a shortage of storage space for records and supplies, are turning to mobile shelf units. Mobility is often found to be the answer when cost of space is a problem.

Basic principle of storage-on-wheels is to convert a large percentage of storage aisle space required of fixed storage units into added rows of shelving. A typical fixed-row shelving arrangement requires a service aisle between every two rows. In mobile units, one aisle space can serve a battery of storage racks. Access to rear storage shelves is made possible by rolling aside front units. The last line of storage equipment is the only fixed unit.

Physically, storage mobility is made possible by mounting existing equipment on steel dollies and running the unit on 1/2-inch high tracks along the floor. Only an inch or two clearance space

exists between units. Storage units may be installed parallel or at right angles to the service aisle. Little effort is required to move the mobile storage units as they roll on grease-packed ball-bearing wheels.

One manufacturing company, hard-pressed for records storage space, saved almost 40% in floor space through conversion from fixed to mobile equipment.

An insurance company, using conventional storage equipment required 600 sq. ft. of stockroom space at \$5 annual rental per square ft., claimed to cut their space requirement in half through conversion. Cost of conversion was \$3,000, which was recovered in two years.

Schering Corporation, a New Jersey pharmaceutical manufacturer, through conversion, installed 124 units of shelving in an area that previously accommodated 72 units. Storage capacity was increased 72%, according to



STORAGE ON WHEELS is shown in offices of large insurance company. When records and supplies

storage space is at a premium, P.A.'s can do well to investigate mobile storage for their companies.

Warehouse Manager H. J. Neubert.

Mobile storage units of Dolin Metal Products Co. were installed in Schering's Union, N. J. warehouse in July, 1957. Installation included purchase of 57 units from the mobile storage manufacturer. Of these units, 52 were 36x12x87-in., and five were 36x18x81-in. Thirty-one fixed storage units were converted. (Thirty-six fixed units were retained). Space required then, as now, was 36 ft. in width by 30 ft. in length.

Cost of new storage racks, con-

version of old racks, layout, and installation was under \$6,000. All work was done by the manufacturer who has contractors for this work all over the country. Some companies have made their own installations. Two days were required for installation at Schering.

While Neubert says that compilation of actual savings in dollars and cents has not been done he can cite savings and benefits:

1. One clerk now fills 370 sample requisitions in eight-hour shift compared to 250

filled in same time before installation.

2. Trips to local warehouse to replenish stock have been drastically reduced.
3. Inventory control is more efficient due to consolidation of files.
4. Better housekeeping has resulted.

Neubert also reports no maintenance has been required on mobile units after almost a year. Daily cleaning of tracks with conventional cleaning equipment has been only maintenance.

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than sold...*



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15 FACTORIES • 42 SALES OFFICES

Purchasing Agents Should . . .

Consider These 9 Points For Mobile Storage Equipment

1. Know your storage space cost. P.A.'s have generally found that unless their space cost is high, mobile storage offers no saving.
2. Be sure floors are level. Floors which are not level must be made so before mobile storage can be installed.
3. Note that existing equipment can be retained and used. Remember, in cost consideration, with more space available after installation of mobile units, more file equipment may be needed.
4. Remember, your own maintenance can do work of installation. Some companies have done their own work.
5. Expect to answer original resistance of employees, especially female help, contending heavy effort is necessary to move large file units. Little effort is actually required according to users. It may be a good idea to take clerks to an actual installation to prove this point.
6. Investigate mobile units for operator safety. One company has placed tracks in hard plywood below floor surface to eliminate tripping hazard. Another point is safety of people working inside the area where they cannot be seen all of the time. It may pay to check this latter point thoroughly with your safety engineer, personnel manager, and union representatives.
7. Remember, if your shelving is to be of certain height, ladders will be required. Allow space in pre-purchase plans.
8. Arrange material layout to have faster moving materials on front shelving; slower moving on rear shelves. Plan ahead.
9. Weigh advantages other than space and cost savings. According to users, increased efficiency and better housekeeping often result.

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No. SB-62

Purchasing Week

330 West 42nd St., New York 36, N. Y.

McGraw-Hill's National Newspaper of Purchasing

Print Order This Issue 26,657

Two Reports You Will Gain by Making

Reports are a familiar part of a purchasing executive's operation. Usually there are so many that you may sometimes wonder if you have time for anything besides preparing or studying reports. Much as we may become irritated with them at times, the fact does remain that they are an effective means of communication; and they should be utilized.

Now is a good time of year to concentrate on reports that may be classified by some as unusual. A well-run purchasing department has an interesting story to tell, and it could very well be told in a house organ, both those circulated internally as well as those designed for outside readership. A recent example of this was contained in Bethlehem Steel Corporation's "Bethlehem Review." In a colorful, well illustrated, 28-page booklet, the story of purchasing for Bethlehem Steel was told. Bethlehem's president, A. B. Homer, set the pace for the presentation with a letter in which he stated:

"Many people may not realize the far-reaching effect on our general economy of the purchases of materials and services which we make annually.

"During 1957 Bethlehem's expenditures for materials and services were nearly \$1.1 billion. Those expenditures, together with employment costs of over \$1 billion, consume about 80% of Bethlehem's annual revenues.

"The story of our purchases ranges all over the United States and over every continent of the world. It concerns some 30,000 suppliers—nearly all of them small businesses or individuals—who sell us materials and services."

There's another type of report in which the story of purchasing could very well receive attention—the annual report to stockholders of your company. Here is an ideal place for a mention of the purchasing department's contribution to the company's operation.

Don't wait for an invitation to contribute to the company's annual report. Start now to compile facts and figures about your operation, facts which will interest stockholders. Stockholders are always interested in ways in which savings have been effected.

They are interested in more than just a flat statement that savings have been made. Actually they are interested in whether your's is a centralized or a decentralized purchasing operation and why. They are interested in how you make purchases, from whom you buy, how large your inventories are and why. In short, they are interested in your department and all the figures that go with it. They are interested because those are the figures that spell success or failure for a company.

Once such figures have been compiled, prepare a report and submit it with a suggestion that it might be included in the annual report. If such action is taken, you will have taken a major step towards spreading the story of purchasing. And even if the suggestion falls on deaf ears, you will not have wasted your time. You will have facts and figures at your fingertips with which to discuss purchasing at any time. Remember, reports have a way of being requested at the strangest times, and usually there's very little time for preparation.

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PURCHASING WEEK Asks You...

How can you control vendor overshipments?

Question asked by: J. H. Wrape, Purchasing Agent
Pneumafil Corp., Charlotte, N. C.



J. E. Shugars

Heinemann Electric Co., Trenton, N. J.

"Each new vendor is advised with the placement of the initial order that overshipments are to be avoided in the same fashion as undershipments. A vendor rating system has been initiated which includes among other things the number of shipments per year and the percentage of under and overshipments. As long as these percentages do not exceed 5%, the vendor is not contacted. Should the percentage exceed 5% but not 10%, the material is accepted but the vendor is advised that a continuation of this procedure shall result in jeopardizing his position."

G. R. Kehoe

Major Equipment Co., Inc.
Chicago

"How? By a mutual understanding between the vendor/vendee as to a reasonable amount of overages that will be accepted. When the salesman and his company, as supplier, are well informed regarding the circumstances connected to the vendee's eventual use of the material, there is a greater likelihood of arriving at a satisfactory answer to the overage problem. Of course, a definite clause on the purchase order stating maximum and minimum percentage is another way to controlling the overage problem."



J. N. Barkdoll

Freedman Aircraft Engineering Corp.
Charlevoix, Mich.

"We purchase large quantities of plywood, hard and soft wood, lumber and hardboard. Since these items are repeatedly purchased we permit a 5 to 10% in variation over quantities ordered. Hardware, packaging supplies, etc., can be controlled in several ways. First, by direct relations with supplier's representative explaining need for reducing overshipments and constant appraisal of receiving of these items. Second, by close supervision over inventory control and coordination with supervisory personnel."



E. I. Milwee

Kelley Mfg. Co.
Houston

"Most of the items we purchase are bought where there are established tolerances for shipping over or under, or they are purchased as individual items. Consequently, our overshipments are minimized. Wherever we have doubt, then we state on our purchase orders 'Ship the exact quantity as ordered.' We have very little trouble using this method."



William McKinley

Edgerton, Germeshausen & Grier, Inc., Las Vegas

"Control of overshipment of fabricated items is accomplished by direct contact and discussion with the vendor at the time his facilities are inspected for capabilities of furnishing our required degree of precision craftsmanship. Receiving does not accept an overshipment unless a written change order has been issued. For stock-shelf as well as fabricated items, overshipments are returned at the vendor's expense. Under our 'Purchase Order General' it is stated that no changes shall be made unless authorized in writing by the purchaser's agent."



Eugene Laks

Alder Electronics, Inc., New Rochelle, N. Y.

"Our organization prides itself in its good relationship with its vendors. An important part of this good will is based on our mutual understanding of reasonable overshipment. Our purchase orders clearly indicate that quantities supplied are not to exceed a given percentage of the total quantities ordered. This excess varies from 1% to 10%. On large dollar items, as well as large quantity items, we list exact minimum and maximum quantities. We find that most suppliers adhere to our requests and they prefer this type of purchase order."



Manmade Fiber Output Drops 16% in England

London—Output of manmade fiber in England dropped 16% in the first half of 1958 compared to the corresponding period in 1957. Falling rayon production is mostly responsible for the decline, although nylon and terylene makers are off somewhat.

Total output of synthetic fiber in the first half was 219 million lb. compared with 250 million lb. for the first half of last year. Nylon and terylene accounted for about 30 million lb. of the total.

Plant Rights Sought

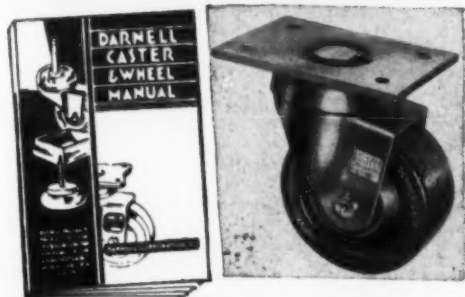
Bombay—A British inventor is negotiating with the Indian Government to set up a plant here to produce automatic paraffin burning stoves. He estimates the autostoves would require imported raw materials valued at no more than 15% of the total cost. The stoves, already in production in South Africa, cost \$5.36 each.

INFORMATION FOR PURCHASING EXECUTIVES

about

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This Week's

Foreign Perspective

Aug. 18-24

Melbourne—Australian demand for U.S. capital equipment should be in for an immediate boost. It's due to a new decision by the government here to treat imports of capital equipment from dollar areas on the same basis as imports from other world sources.

Until now, U.S. imports were subject to entirely different treatment, and were allowed to be imported only if a similar commodity was not available in the United Kingdom or in soft-currency countries.

The official government order says that in the future, the following goods will be licensed without discrimination as to country of origin. "Capital equipment (other than electrical) including parts, electrical machine apparatus and appliances including parts, television transmission and studio equipment and parts for them."

Experts point out that equipment from non-dollar sources was often more expensive and seldom as modern or labor-saving as American products. The labor-saving angle is particularly important in worker-short Australia.

The result of this new decision will be an almost immediate renewal of Australian interest in acquiring agencies for such equipment from U.S. manufacturers.

New Delhi—Indian industrialists are pushing for industrial expansion through increased private U.S. participation in domestic manufacturing plants. Paper, fertilizers, and carpets are three major areas which are being relied upon to attract U.S. investment funds.

Indian officials are also making overtures to official Washington, the International Finance Corp., and the World Bank for reconstruction and development for industrial expansion capital.

Bucharest—Rumania has launched a vigorous campaign to increase international sales of oil equipment. The oil equipment industry here, built jointly with the U.S.S.R., has grown too large for home and "friendly" nation consumption. So officials here are looking toward Western bloc and neutral countries for new markets.

A delegation from India is currently in Rumania inspecting equipment for a projected Madras refinery. Argentina is reported to have signed a delivery contract. And some sales also have been made to France.

London—Commodity markets in England continue shaky. There's still great uncertainty about the future of lead, zinc, tin, and aluminum. Copper meanwhile, is zig-zagging in reaction to developments in the United States.

Kennecott's decision to hike output, considered premature here, plus the cut in U.S. custom smelters' copper price, have pushed tags downward. Most observers feel that what happens to London copper tags depends largely on the fate of stockpiling legislation before Congress. If the Seaton Plan gets bottled up, you can expect a continued downward drift in copper prices here for some time to come.

Central Bank of Argentina Breaks Importing Freeze

Buenos Aires—The Central Bank of Argentina has released a limited list of essential imports, breaking the import freeze that was applied last May 1 (see P.W., May 26, p. 9).

Under the new system, the importer must obtain a certificate of necessity to receive an import permit. He must also deposit an amount equal to 100% of the import value with the central bank.

The list includes automobile and truck parts, industrial equipment replacements, types of steel products, rubber, some chemicals, and certain medicines.

Red China Claims Usage Of 90 Alloy Steels for Cars

Tokyo—According to a Peking radio broadcast, Red China claims it is now using 90 alloy steels in the manufacture of automobiles, tractors, and other internal combustion engine machinery.

The broadcast said that at the recent national steel conference at Changchun, Manchuria, it was announced that manganese, silicon, vanadium, and other minerals, abundant in China, were replacing nickel and chromium in alloy steel.

Firms in Japan Unite To Form Association

Tokyo—Ten Japanese petrochemical companies have banded together to form the Japanese Petro-Chemical Industry Association. An association spokesman said "It is about time for us to explore not only our domestic market but also foreign markets."

Seven of the member companies have been on stream less than a year; the others expect to start operations next year.

The association has urged the government to cut down on imports of petrochemical products and equipment and step up exports.

Last year, Japan imported \$357 million worth of chemical equipment and machinery, and exported only \$900,000 worth to southeast Asian countries.

Indian Industrialist Plans Purchase of Machinery

Bombay—Indian industrialist G. D. Birla has arrived in the United States to negotiate the purchase of some \$15 million worth of machinery for his new rayon pulp plant in Communist-held Kerala state in south India.

Birla also indicated he would negotiate machinery purchases for his aluminum plant, engineered by the Kaiser Corp. The plant is located close to the site of the U.S.-aided Rihand Dam in north India.

Red China Says Tires Developed Are 'Firsts'

Hong Kong—Red China claims its Tsingtao rubber plant has produced two "firsts" in tires. No technical details were given, but the official announcement described the new tires as a truck tire made of polychloroprene, and a cordless tire for heavy-duty universal tractors. Announcement also said the plant is producing a tubeless, cushionless tire for trackless trolley buses.

Bayer Forms Subsidiary

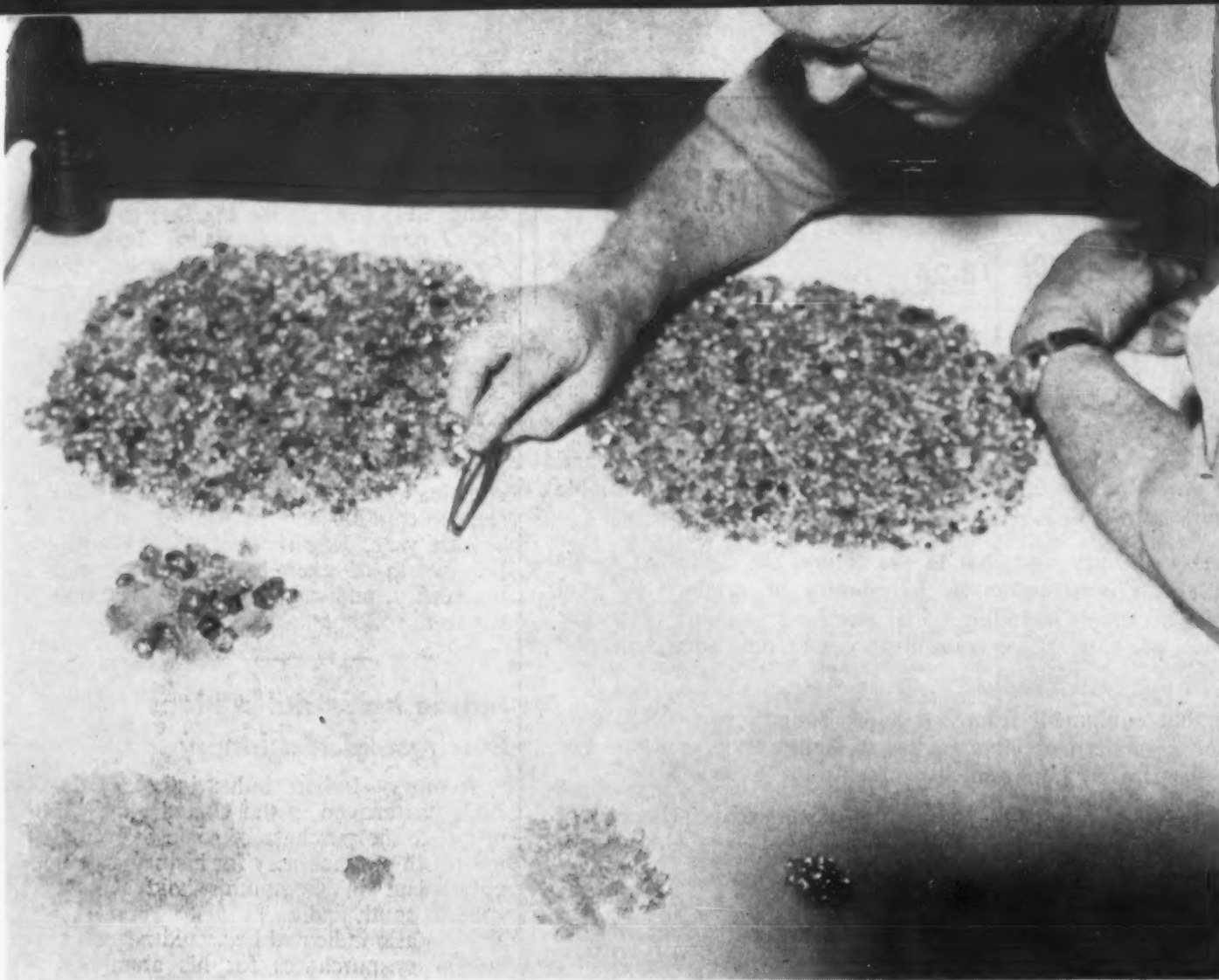
Bonn, Germany—Bayer of Leverkusen has formed a subsidiary, Bayer de Mexico Industrias Animicas S. A., in Santa Clara, Mexico to make and market Bayer dyestuffs and plant protective agents.

For your tires . . .
ask for the antiozonant protection that outlasts the tread.

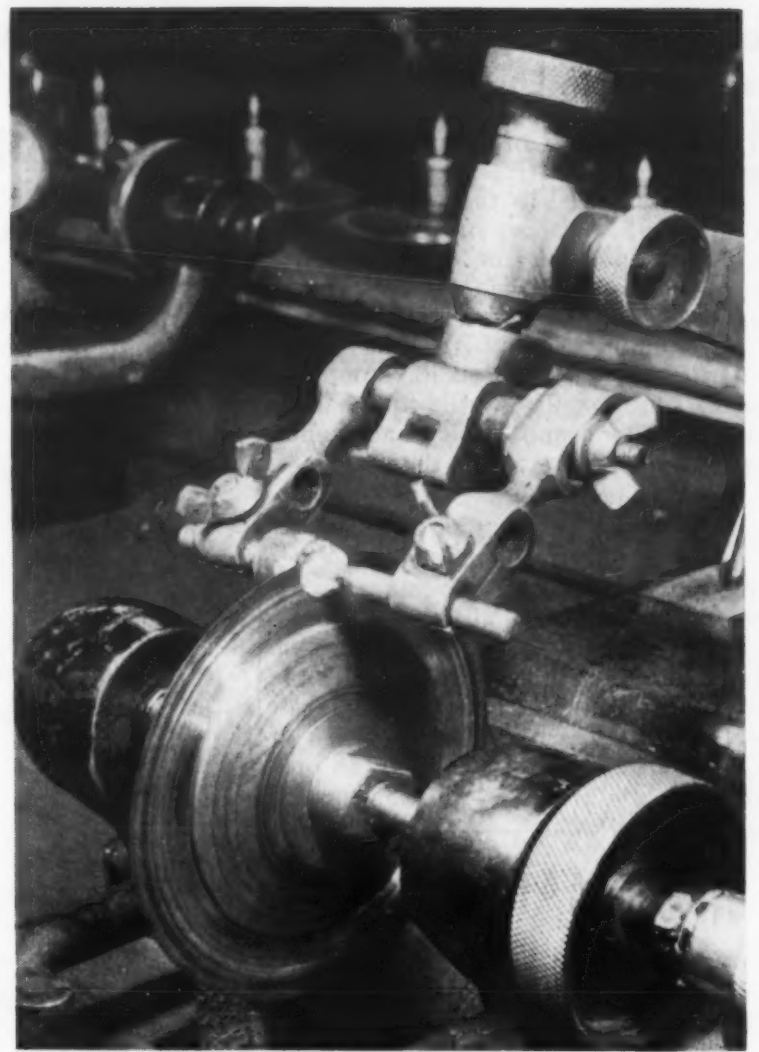
Ask for UOP 88® and UOP 288®

Built-in chemical barrier to ozone damage for rubber goods. For samples to test in your own formulations, or our recommendations for use in synthetic or natural stocks, write:

UOP UNIVERSAL OIL PRODUCTS COMPANY
30 Algonquin Road, Des Plaines, Illinois, U.S.A.



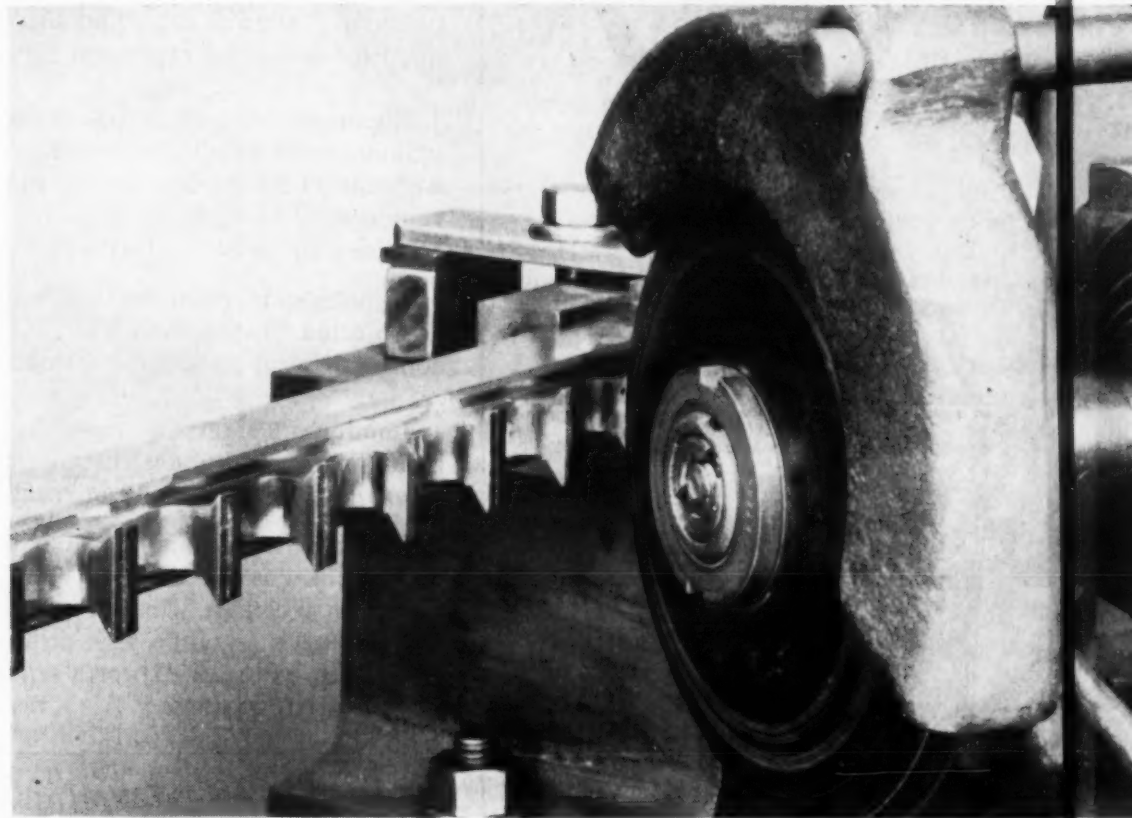
SEPARATING industrial diamonds from gem diamonds is one of first steps in meeting requirements of users. Of all diamonds produced, about 80% go to industry. Industrial diamonds are used as stones or bort (powder).



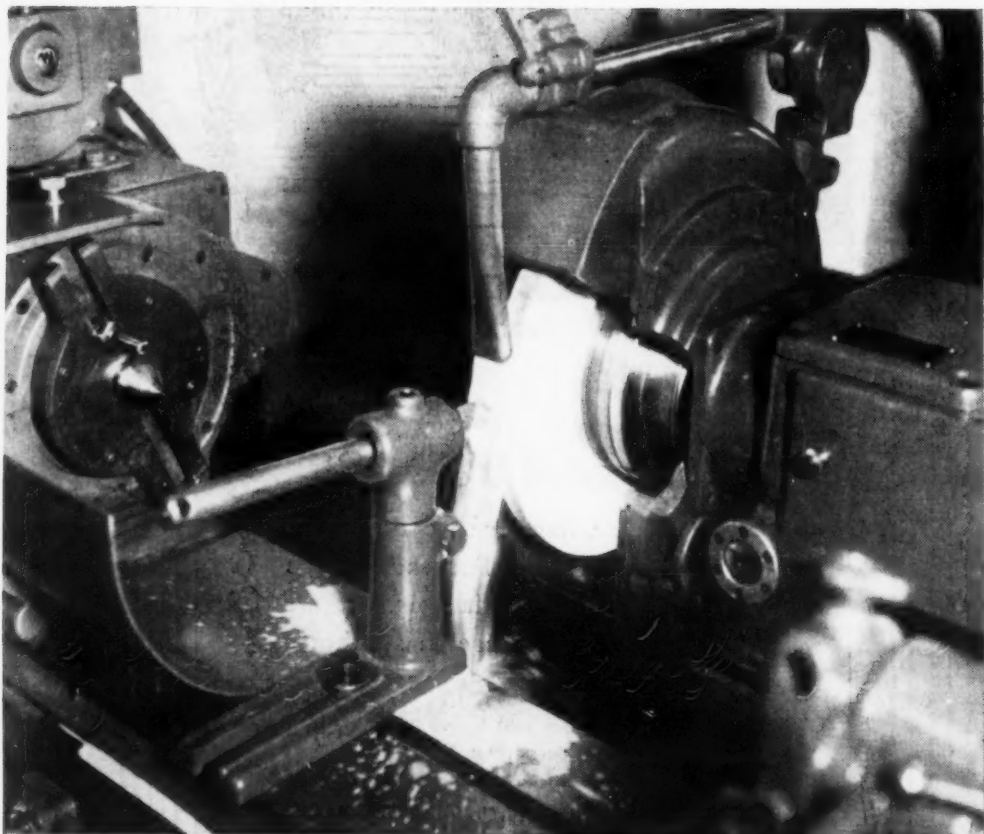
SAWING rough diamonds by diamond dust. Blade is impregnated with diamond dust. This is first use of diamonds.

INSIG dia-
models.

Industrial Diamonds Have Wide Market; Reclaim Value High



GRINDING carbide-tipped teeth of large broach with diamond wheel. Diamonds, a requisite for such hard materials as carbide, can prove value in smooth finishing other materials.

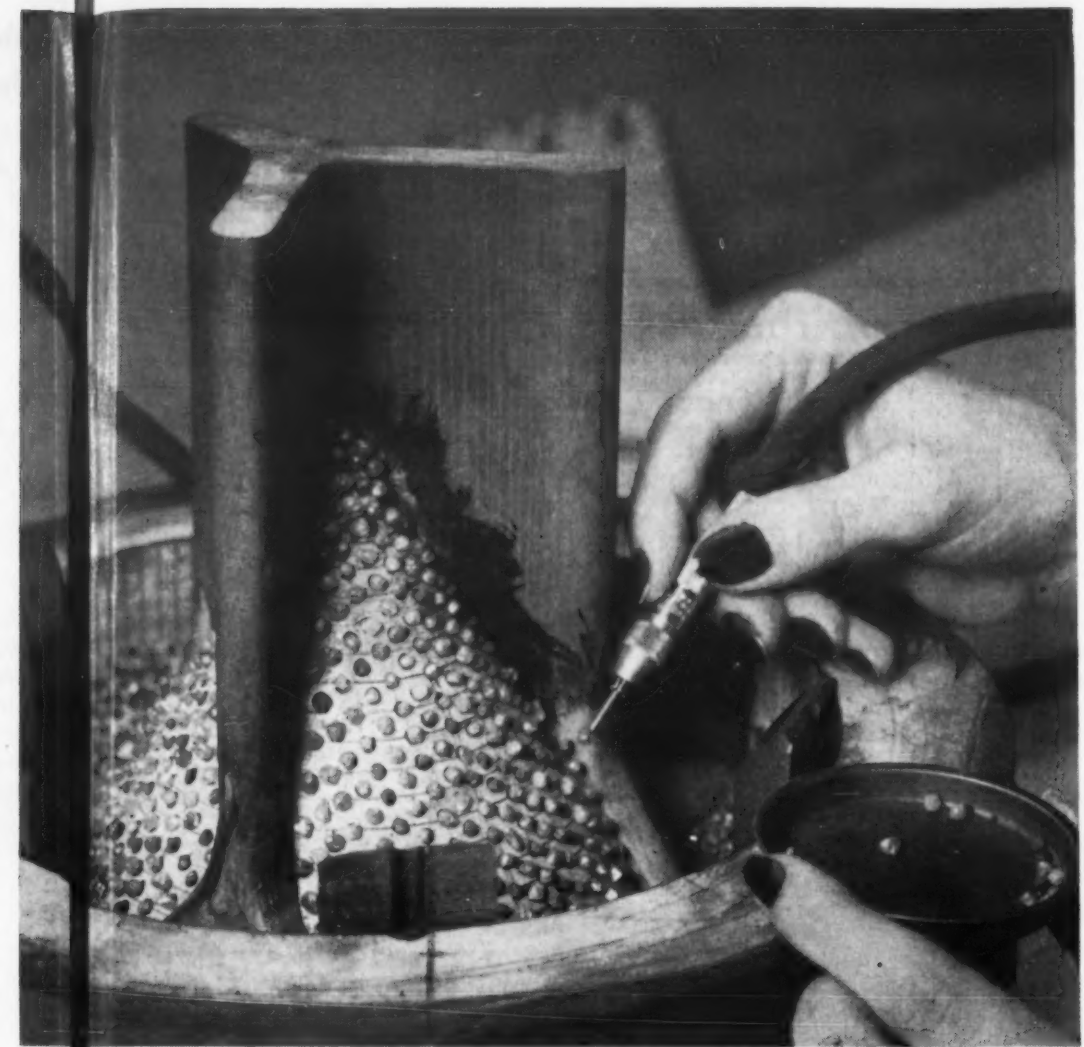


WHEEL DRESSING with diamond tool. Hardness of diamond makes it brittle and unable to form ferrous metals. Diamonds keep dressing wheels free cutting.



SAWING plastic shapes with diamond band saw. Diamond stones or powder are adaptable to any standard tooling application. Use of diamond on plastics proves value with newer materials.

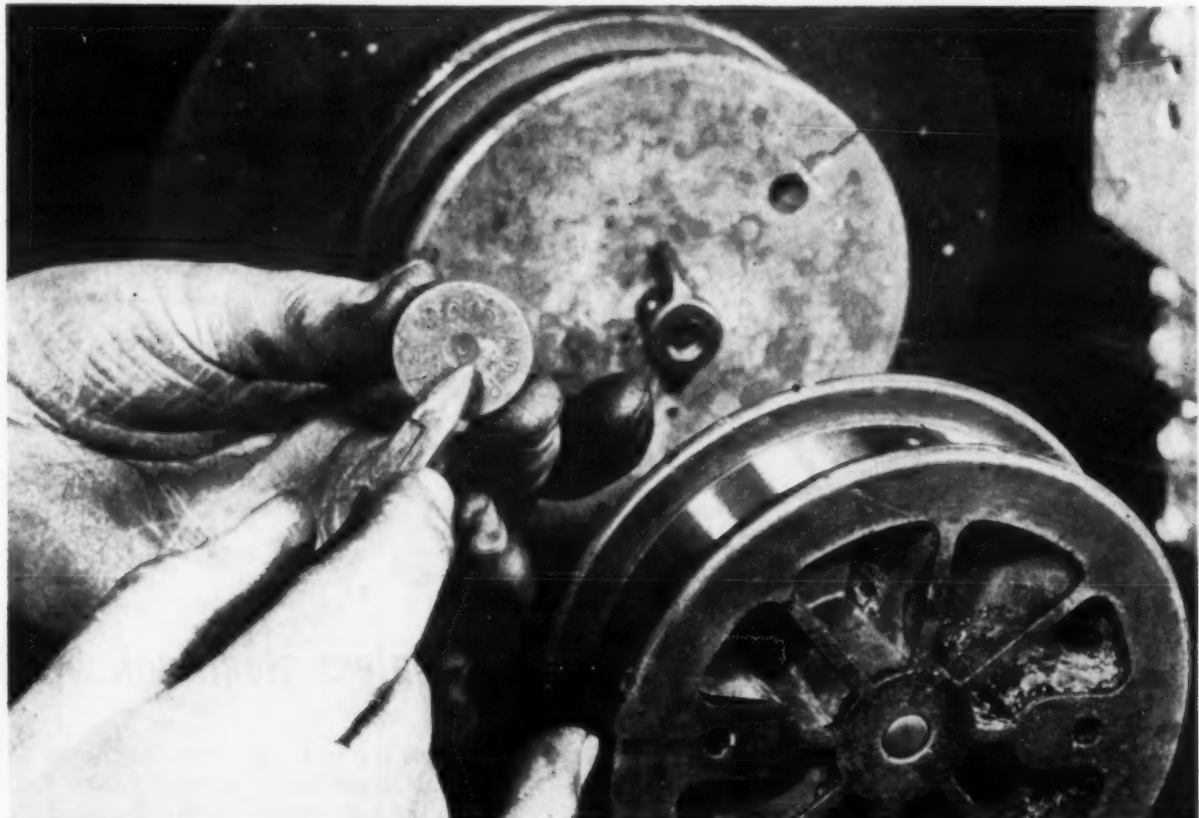
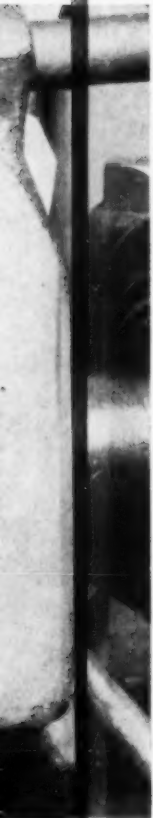
SAWING st-
all repe-



SETTING diamonds in plot marks in bit mold. Precision workmanship explains cost of diamonds. Here each diamond is set with cutting edge positioned to give best exposure.



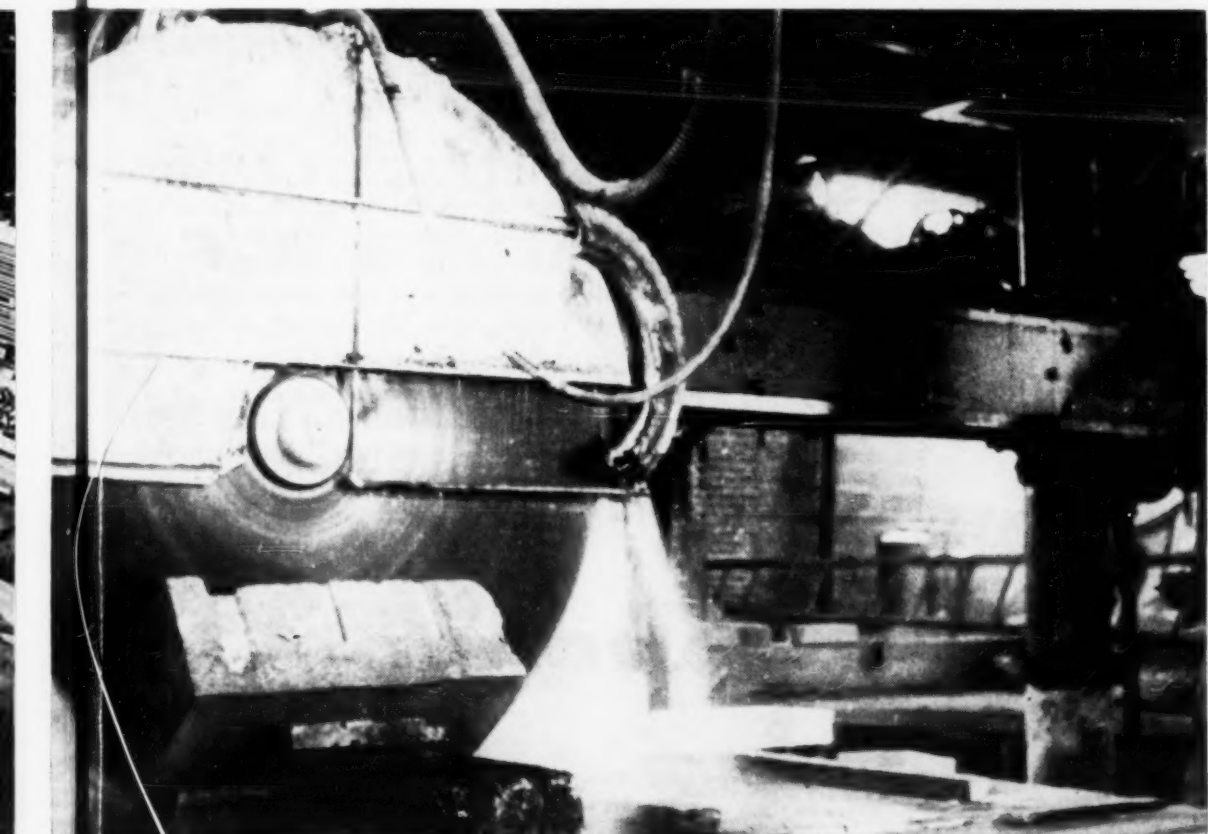
DRILLING of rock for wells is done with diamond coring bits as shown. While cost per foot for diamonds exceeds combined cost per foot for all other materials, diamonds have proved their value.



WIRE DRAWING proves place of diamonds in most exacting production requirements. Here diamond die threaded with tungsten wire (lamp filament) so thin that it doesn't appear to exist.



TURNING an 18-inch diameter by 150-inch long super-calendering roll with a diamond turning tool. Small tool on big job shows diamond's durability.



CUTTING stone with diamond-toothed circular saw. High comparative indestructibility of diamond and repeated salvage of both stones and powder—points up need for value analysis in buying.

MAN-MADE DIAMONDS can be made about as large as coarse grains of sand. Chief present use of this diamond is in resinoid and vitrified bonded wheels to grind carbide tools.



This Changing Purchasing Profession...



E. BOYKIN HARTLEY has been elected vice president-traffic by Railway Express Agency, Inc., New York, effective Sept. 1. Hartley has served as director, Purchasing Division, since June 1955. He is a member of the National Association of Purchasing Agents and the Purchasing Agents Association of New York.

Bostrom Corp. Names Weiland to P.A. Post

Milwaukee—Edwin W. Weiland has joined Bostrom Corp. as purchasing agent. He succeeds J. H. Kitterman who held this post for more than 15 years. Kitterman has been assigned to special projects in product cost analysis.

Weiland had been assistant purchasing agent for American Motors at Milwaukee for over eight years. He also will supervise purchasing activities for Bostrom Research Laboratories.

Norman H. Reese, formerly director of purchases and material control for Bell & Howell, Chicago, has been elected vice president and general manager of the firm's subsidiary, Bell & Howell Phillipsburg Co., Phillipsburg, N. J.

In a move designed to centralize its purchasing program, **A. Bodine Southworth** has been assigned to the planning and purchasing department as purchasing agent for finished goods by Parker Pen Co., Janesville, Wis. He had been sales production manager in the domestic sales division.



WILLIAM L. MACHMER, JR. has been appointed director of purchases of Allied Chemical's General Chemical Division, New York. He succeeds Frank J. French, who was recently named a vice president. With the firm 17 years, Machmer has been manager of the division's market surveys department since 1956.

Douglas Aircraft Names Doran Material Head

Santa Monica, Calif.—W. G. Doran has been promoted to director of material by Douglas Aircraft Co. succeeding the late D. J. Bosio.

Doran, who joined the firm in 1928, entered the purchasing department in 1937 as a buyer. He became chief purchasing

agent in 1944 and since 1947 has served as purchasing manager.

Sam W. L. Backus, purchasing agent for Barnwell Drilling Co., Inc., Shreveport, La., has been named vice president and secretary. Backus, who joined the firm earlier this year, will continue as purchasing agent.

Homer R. Hoskin has been appointed sales manager of S. W.

Card Division of the Union Twist Drill Co., Mansfield, Mass.

Obituaries

F. E. Owens

Rome, N. Y.—Fred E. Owens, 60, former director of purchasing and later president of the Rome Tobacco Co. died July 29. He served as vice president in

charge of purchasing and sales before becoming head of the firm.

A. C. Doty

New Providence, N. J.—Arthur C. Doty, purchasing agent in the mill supplies department of William S. Roe Co., Harrison, N. J., died Aug. 1. He was 61.

Surviving are his widow, a son, and two sisters.



**New
easier
way**

... to use stainless steel lock wire!

Note how the lock wire, uncoiling from the inside, is dispensed as needed from a hole in the top of this compact 1-pound package. No wild uncoiling! Moreover, the wire is better protected, handles easier and faster, with less waste, and with greater safety!

Here is a new National-Standard packaging development that is a natural for most safety lock wire uses in equipment manufacture, assembly and servicing.

For production operation requiring larger capacities, National-Standard offers lock wire on practical 5 and 10-pound disposable spools that may be spindle-mounted.

Check with National-Standard on the spooling of your choice and on stainless steel lock wire in any diameter from 0.020 to 0.067 and to government specifications: QQ-W-423, AN-W-24, MIL-W-6713 or AMS-5685-C.

NATIONAL



STANDARD

DIVISIONS: NATIONAL-STANDARD, Niles, Mich.; tire wire, stainless, music spring and plated wires

WORCESTER WIRE WORKS, Worcester, Mass.; music spring, stainless and plated wires, high and low carbon specialties • REYNOLDS WIRE, Dixon, Ill.; industrial wire cloth
WAGNER LITHO MACHINERY, Secaucus, N. J.; metal decorating equipment • ATHENIA STEEL, Clifton, N. J.; flat, high carbon spring steels

A P.W. Profile

Mrs. Entwistle, Lederle's P.A., Buys Monkeys, Mice, Rabbits

Mrs. Elsie Entwistle, purchasing agent of Lederle Laboratories division of American Cyanamid Co., buys some of the cutest, liveliest commodities on the market. Rabbits, monkeys, mice and horses are among her regular purchases. And once she's bought them, she has to buy their food. These odd purchases for pharmaceutical production and research don't seem unusual to Mrs. Entwistle any more. She has worked at Lederle for 39 years, with 21 of those years spent in purchasing.

Mrs. Entwistle has lived in Pearl River—home of Lederle Labs—all her life. As a very young girl she started in Lederle's Needle Department, preparing injection needles for antitoxin packages. From there she went through a term of stock-room record work, then moved across the Lederle grounds to the main office. In the late thirties, the rapidly-advancing lady started up the purchasing ladder.

How was purchasing handled in those days? Mrs. Entwistle says "The plant superintendent handled all equipment purchases. We in purchasing bought the supplies. We didn't ask for quotes in those days. There were just a few suppliers and we had everything listed in catalogs."

In those days Lederle employees numbered a few hundred.

Now the big Pearl River setup employs thousands. And the Purchasing Department has grown.

Today Mrs. Entwistle heads a department of 37 people. A dozen of these are full-time buyers. Three buyers are women who worked their way up through the ranks as Mrs. Entwistle has.

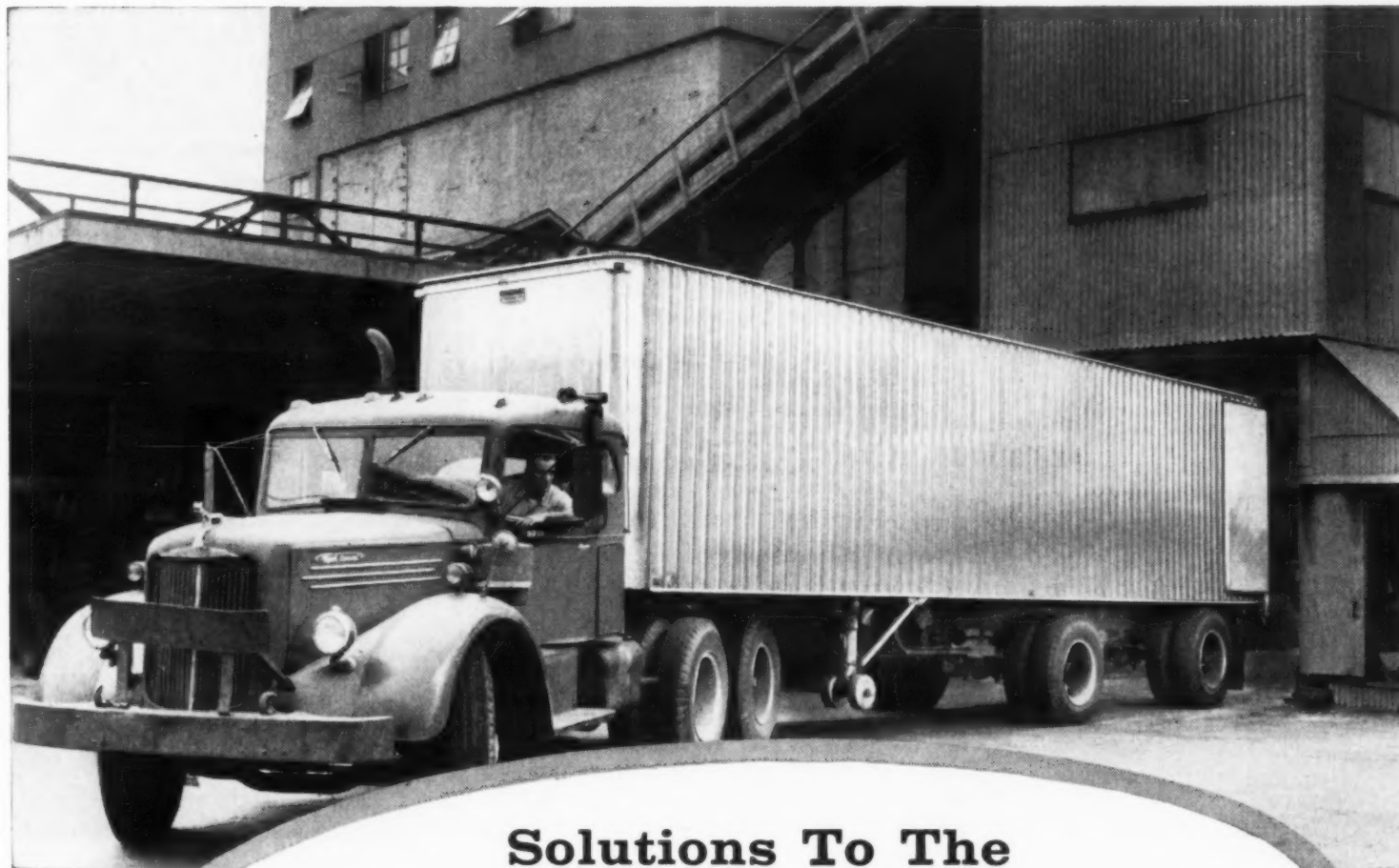
The years have brought laughs, too. Mrs. Entwistle recalls the

time some monkeys broke out and spent a day chattering and swinging in the large trees on the Lederle lawn. Then there was the day an experimental goat got out and headed for tall timber. A young Pearl River boy found him, returned him, and asked for a reward—a job at Lederle. He got it.

Sometimes the animals make for purchasing problems. Jokes about rabbits would have you think bunnies are never in short supply. But Mrs. Entwistle needed 20,000 one time for a special production run of pneumonia vaccine. She had to go all the way to California to find enough rabbits.



MRS. ELSIE ENTWISTLE, Lederle Laboratories P.A., checks out items she and her staff purchase to keep laboratory supplies at right level.



Solutions To The Purchasing Man's Problems With Transportation Equipment

PROBLEM How to ascertain the most economical method of shipping a product.

SOLUTION Fruehauf representatives are transportation experts. Whatever your product and your distribution problems, they can supply you with a comprehensive "Transportation Cost Analysis" clarifying all costs of available freight systems in black and white. Chances are, Trailers will save you money in some or all phases of material procurement and product delivery.

PROBLEM How to obtain dependable local service with centralized Trailer buying.

SOLUTION Purchasing at one point and operating at another is no problem with Fruehauf's nationwide

network of Factory Service Branches. Each maintains a continuous supply of parts and a skilled staff of expert mechanics working with modern maintenance equipment. Your Fruehauf Trailers are more carefully built when you buy them and more professionally serviced while you operate them.

If you, as a purchasing agent for your company, have any further questions to ask regarding Trailers and methods of economizing in obtaining them, chances are Fruehauf can supply a very good answer. Please write or call any time.

For Forty-Four Years—More Fruehauf Trailers On The Road Than Any Other Make!

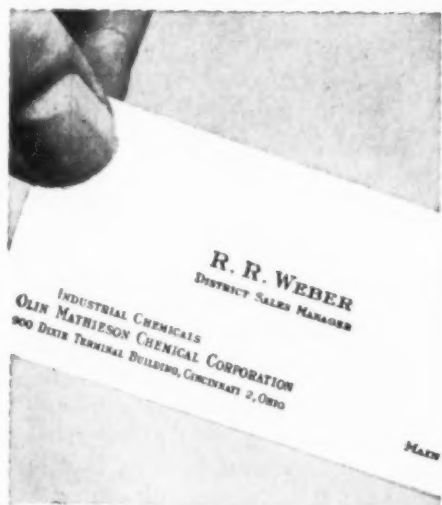


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FRUEHAUF TRAILER COMPANY
10941 Harper Avenue • Detroit 32, Michigan

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on basic chemicals

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Mathieson

TRANSPORTATION—the flexibility of truck, rail, and barge facilities permits new economies in shipping.

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INDUSTRIAL CHEMICALS
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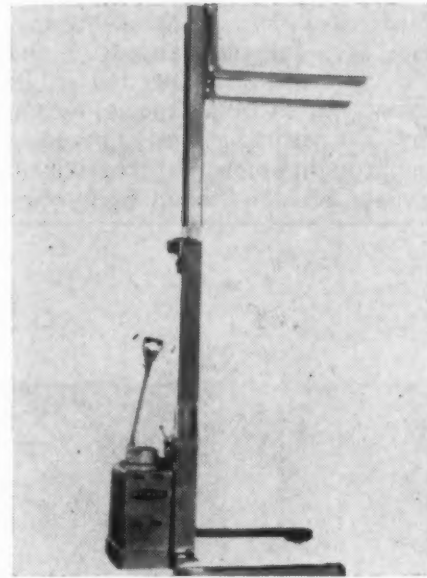
Thermal Insulation

Crushproof and Lightweight

Snap-on urethane insulation has a low "k" factor and strong resistance to physical damage. Insulation is designed for service between -200F. to +250F. Insulation does not fray, crumble, or break in handling. It does not disintegrate when subjected to water or many other liquids. On drying, the insulation is as good as new. Insulation is preformed to fit pipelines and fittings. It requires only one seam.

Price: from 55¢ (for less than 5,000 ft. on 1½x1 in. pipe). Delivery: 1 wk.

Rainbow Industries, Inc., 600 South Washington St., Box 908, Butler, Pa. (8/18/58)



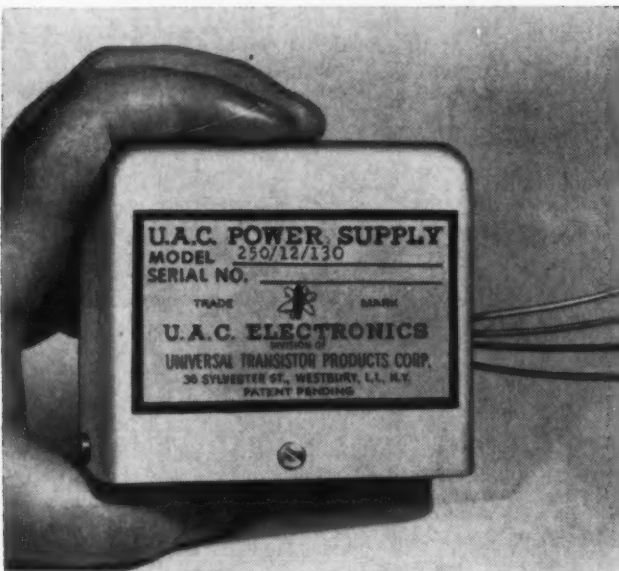
24-V. Walkie Stacker

For 2,000 Lb. Palletized Loads

Walkie Stacker handles loads up to 48x48 in. and will stack them more than 10-ft. high. Power unit has compact design, made possible by the use of four 6-v. batteries mounted in pairs on each side of the drive unit. Walkie Stacker will enter pallets at right angles in aisles as narrow as 53 in., depending on pallet size. Forward and reverse speeds are varied by increasing or decreasing actual voltage instead of adding resistors in the electrical circuit. This utilization of full 24-v. power facilitates ramp operation. Available in heights 52 to 124 in.

Price: from \$2,590 to \$2,750 (including batteries and charger). Delivery: 10 wk.

Raymond Corp., Greene, N. Y. (8/18/58)



Power Supplies

Fully Transistorized

Series of complete transistorized power supplies provide output required to operate receiver installations. Rectified, filtered units wire directly to battery and mobile equipment.

Price: \$65 (Model 250/12/130 producing 250 v. dc. @ 130 ma. from 12 v. dc. input in a 2x3½x3 in. package). Delivery: immediate.

Universal Transistor Products Corp., 17 Brooklyn Ave., Westbury, L. I., N. Y. (8/18/58)



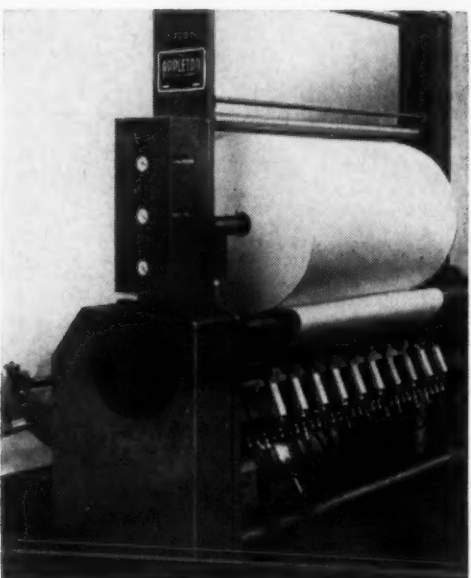
Limit Switch

Is Vane Operated

Vane-operated limit switch is used for controlling machinery travel. Armless, leverless, and shaftless, magnetic device is energized by the passage of a separate metal vane through a recessed slot in the switch. Attached to the mechanism to be controlled, the vane disturbs a magnetic field balance which causes two small contacts to operate. Located between two Alnico magnets, the contacts are sealed in gas.

Price: \$54 (without indicating light), \$61 (with light). Delivery: immediate from local G.E. distributors.

General Electric Co., Schenectady 5, N. Y. (8/18/58)



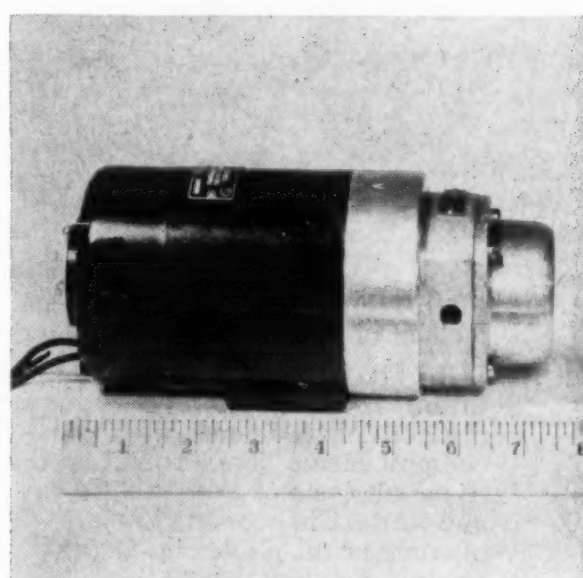
Drum Winder and Slitter

Air-Operated Cutters

Model SR-60 is capable of slitting paper, paper-board, coated fabrics, textiles, rubber, and sponge rubber as narrow as a quarter of an inch. Web sizes of the machine vary from 36 in. to 125 in. Standard model takes parent rolls up to 48 in. in dia. Optional equipment increases the capacity to 60 in. Air-operated cutters allow for simplified adjustment to insure equal pressure at all points while operating. Equipment features automatic roll-tension control.

Price: \$10,900 (less drive). Delivery: 60 days.

Doven Div., Appleton Machine Co., Appleton, Wis. (8/18/58)



Pump-Motor Combination

Runs on 12-V Battery

Powermite Model AKX is designed to operate from a conventional 12-v. battery. Unit was originally developed for hydraulic applications on small mobile hoists. Model AKX is rated for 30 cu. in. per min. at 500 psi. Unit uses 10-W lubricating oil as a hydraulic fluid. Operating temperatures can be up to 200F. Larger models are available.

Price: \$54.50 (minus built-in relief valve), \$56 (with valve in 20 gph. Delivery: immediate.

Tuthill Pump Co., 939 E. 95th St., Chicago, Ill. (8/18/58)



Carbon Apparatus

Tells Carbon Content

Apparatus burns the sample in a stream of pure oxygen, heating it with a radio-frequency induction coil. Whole process, from the time START button is pushed, is carried out automatically in less than 2 min. Device will work with steel, and organic, and non-ferrous samples.

Price: \$975. Delivery: immediate.

Fisher Scientific Co., 389 Fisher Bldg., Pittsburgh 19, Pa. (8/18/58)



Electronic Plug

For Audio Applications

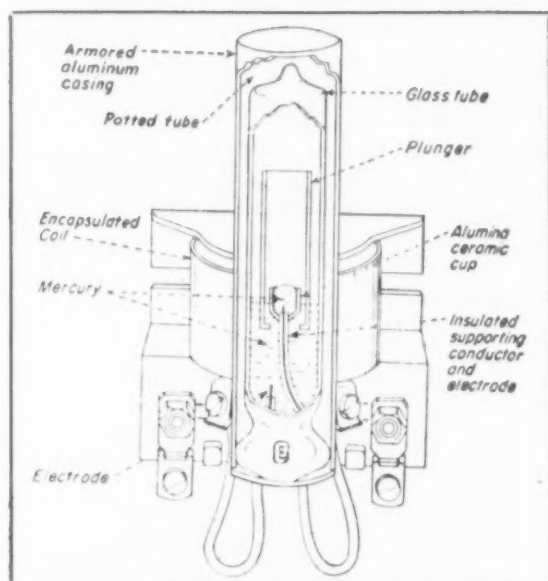
XLR series of plugs provides quiet operation by use of resilient inserts and shock-absorbing ribs in socket assemblies. Construction helps eliminate mechanical interference noise problems. Incorporated in the XLR are serrated finger grips for easy separation, improved adjustable clamps. XLR series includes round and rectangular wall/panel-mounted receptacles, straight and 90 deg. plugs, 2-gang wall mounted receptacles.

Price: from \$1.20 to \$10.55. Delivery: immediate after Sept. 1.

Cannon Electric Co., P.O. Box 3765, Terminal Annex, Los Angeles 54, Calif. (8/18/58)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



Encapsulated Coil

For Use with Relays

Fully encapsulated coil, for use with relays, provides protection for operation in corrosive, deteriorative, atmospheres. In addition to the utilization of moisture-resistant, vacuum impregnated, cotton interweave coils employed in the relays, their encapsulation in approved polyester resin compound offers added protection.

Price: \$14.65 to \$9.85 (35 amp. @ 115 v. a.c.), \$16.30 to \$11.87 (60 amp. @ 115 v. a.c.). Delivery: immediate.

Ebert Electronics Corp., 212-26 Jamaica Ave., Queens Village, N. Y. (8/18/58)



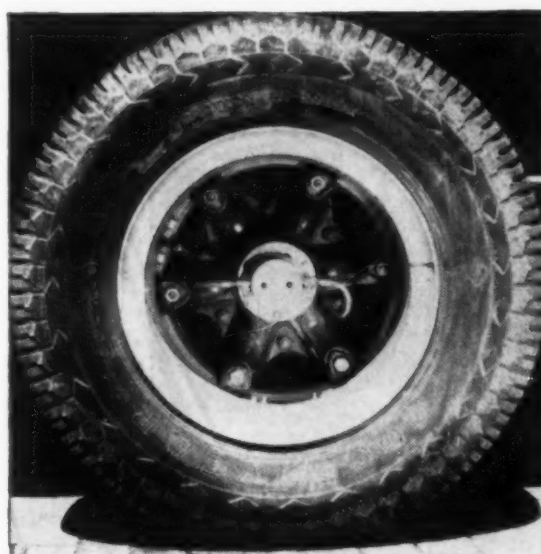
Resistant Paint

Offered in Variety of Colors

Chem-Rem acid and alkali resistant paint is used for protection of all exterior and interior metal, masonry and wood, including concrete block buildings, and cement floors. It is said to withstand destructive effects of acetic, hydrochloric, and dilute sulphuric acids. It resists bleaching solutions, dilute caustic soda, ammonia, and other alkalines. Its elastic surface is said to be impervious to moisture and unaffected by temperature changes.

Price: \$8.75 a gal. fob. Cleveland. Delivery: immediate.

Speco, Inc., 7308 Associate Ave., Cleveland 9, Ohio (8/18/58)



Tire-Pressure Detector

Flashes Dashboard Warning

Tire pressure detector unit is a highly-sensitive metering device attached to the hub of each wheel, and connected to the valve stem of either single or dual tires. Metering is preset for any desired pressure. Small red dashboard warning light flashes an instantaneous signal if the pressure in any tire drops. Complete rig can be installed, metered, and tested in less than 4 hr.

Price: \$139.50 (complete tandem trailer) fob. Dallas. Delivery: immediate.

Tel-Air Corp., 4250 Harry Hines Blvd., Dallas, Tex. (8/18/58)



Typewriter

Portable

Quiet-riter Eleven portable has standard 11-in. carriage, can handle full-sized letter heads longways and can type a standard 10.3-in. line. Quiet-riter Eleven portable has a 44-key, 88-character keyboard. The Eleven portable is available in four colors.

Price: \$136.95. Delivery: immediate.

Remington Rand Div., Sperry Rand Corp., 315 Fourth Ave., New York 10, N. Y. (8/18/58)

This Week's

Product Perspective

AUGUST 18-24

There have been few radical changes over the years in the storage battery under the hood of your car. But in other applications, batteries are undergoing some startling changes. Sometimes a new-product idea has pushed development of a new battery—e.g., a wrist watch driven by battery power. Other times the battery has come first in search of a new product—e.g., the first hearing aids were possible because of miniature batteries.

Mostly the emphasis on battery development has been on small size and highly specialized applications—generally where low output is needed. In the process, new ways of turning chemical energy into electrical energy have been uncovered. Even systems not depending on chemical action have been explored. Here's a quick rundown on what's available:

- **Carbon-zinc battery**—with essentially the same materials as in the familiar flashlight battery—has shrunk in size until now it's little bigger than a shirt button. A watch maker uses one in his electric watch.

- **Mercury cells**, too, have been around for some time, but never in the size that they are now available. They are used in "in-the-ear" hearing aids. P. R. Mallory & Co., Inc., has come up with a rechargeable mercury cell about 1 in. in dia, and 1/2 in. thick. It has a capacity of about 2,000 ma.-hr. at 1.35 v.

- **Silver-zinc battery** about 1 1/2 in. long offered by Yardney Electric Corp. Its peak discharge current is 3 amp.

- **Nickel-cadmium batteries** made by Sonotone Corp. are as small as 1/2 in. in dia. by 1/4 in. thick. These batteries can be recharged. Sonotone has tested them through up to 3,000 charging cycles without any affect on performance. Combined with solar-energy converters for charging, nickel-cadmium batteries could give almost unlimited life.

- **Lead-alkaline batteries** in miniature size can also be recharged. Developer is the Naval Ordnance Laboratory.

- **Solid-electrolyte type batteries** use no liquid or paste electrolyte like the batteries described above. Chief virtue is their extra-long shelf life and wide range of operating temperatures. They are made by National Carbon Co., P. R. Mallory, and Patterson, Moos.

- **Wax-electrolyte battery** is experimental by National Bureau of Standards. A stack of 25 cells measures only 1/2 in. dia. by 1/3 in. long. This setup will put out 37.5 v.

- **Indium cell** is built much like the mercury cell. But the substitution of indium for zinc in the mercury cell lets the indium cell have a nearly constant discharge voltage and an efficiency of 95%. Elgin Watch Co., developer, is using the cell in wrist watches and instruments.

- **Nuclear batteries** depart radically from the batteries described above. A radioactive isotope is used as the electron source. Electricity is continuously produced, you can't turn a nuclear battery on or off. But it will last as long as the radioisotope. The only trouble is that its current output is extremely small. Nuclear batteries are also bound by Atomic Energy Commission rules governing use of radioactive materials.

There are some interesting developments in batteries along lines other than miniaturization:

- **Gas-activated batteries** are put to work by introducing a gas into the battery system. The gas serves as the battery's electrolyte or depolarizer. Self-contained automatic devices serve to introduce the gas. The chlorine-depolarized battery, for instance, has good-low temperature performance and has a high-energy output per unit weight and volume.

- **Ammonia-vapor-activated battery** has an unlimited shelf-life in the unactivated condition. Activated life is about one week. Its forte is low-temperature performance.

- **Thermal cell** starts off with a solid chemical-salt electrolyte. It is activated by melting the electrolyte with heat. The thermal cell has an indefinite shelf life and builds up voltage fast once it is activated.

These three batteries (with the possible exception of the thermal cell) have one characteristic in common: they have relatively high outputs over a short period of time. As such their applications have been limited to military applications, principally missiles.

Profitable Reading for P.A.'s

"Reading Maketh a Full Man"—Bacon

Better Office Systems

Office Management and Control.
By George R. Terry. Published by Richard D. Irwin, Inc., Homewood, Ill. 735 pages. Price: \$8.35.

Many a purchasing executive finds a good deal of his time taken up with operating his department. The fact that much of this time could be devoted to more vital purchasing activities can be quite frustrating.

In this book, Dr. Terry discusses the new techniques, ideas, and efficiency measures which should help reduce office management time.

Such topics as office reports, correspondence, filing, and record retention are analyzed in great detail. And the effect of new office machines and automation gets a thorough going over in simple, easy-to-read style.

Actually, what this study provides is a group of terse, though complete, studies on a host of various office procedures and problems. Each is complete in itself so the purchasing executive need only read the area of his particular interest.

Standard tanks in branch and linear polyethylene and polypropylene are described in new catalog sheet. Tanks illustrated include a cylindrical, self-supporting unit; a square, self-supporting tank; and a rectangular, self-supporting tank. Complete specifications, design features and application information are included for each type tank. Copies are available from **American Agile Corp., P. O. Box 168, Bedford, Ohio.**

Earthmoving equipment is described in new brochure, No. 326R. 24 different models are pictured and described. Included are condensed specifications on 9 rear dumps, 3 bottom dumps, 3 coal haulers, 6 scrapers, and 2 log haulers. It also includes illustrations and brief descriptions of the more important features to be found in each type of equipment. Copies are available from **Euclid Div., General Motors Corp., Cleveland 17, Ohio.**

LN-25B liquid nitrogen refrigerator is described in 4-page folder, No. F-1059A. It describes the outstanding features of the refrigerator, which was designed to meet the cryogenic storage needs of industry and research. This refrigerator is ideal for the storage of medical and biological specimens, chemicals, and metallurgical samples, and for shrink-fitting small metal production parts. Folder is available from **Linde Co., Div. of Union Carbide Corp., 30 East 42nd St., New York 17, N. Y.**

Monel, Inconel, Inconel X, nickel clad copper, and other special nickel alloys are featured in 42-page price schedule. Standard practices for each alloy are set on the left-hand pages, while prices are placed on corresponding right-hand pages. Title pages divide various sections of the price book and include basic information needed for each alloy. Copies are avail-

able from **Riverside-Alloy Metal Div., H. K. Porter Co., Inc., 1 Pavilion Ave., Riverside, N. J.**

Temproof vibration mountings are described in 16-page product bulletin, No. 710. It contains complete engineering data, including tables and transmissibility curves, on design and performance of three types of Temproof mountings; standard mountings in

four sizes (0, 1, 2 and Console), all-attitude mountings in two sizes (0 and 1) and center flange mountings. Bulletin is available from **Lord Mfg. Co., Erie, Pa.**

Filters for aircraft, missiles, industrial, and ground support equipment are described in 132-page manual. Engineering specifications including components

and parts numbers, flow curves, capacities and sizes, exploded views and cross-section drawings are given. A 14-page section in the front of the manual gives a brief history of the art of filtration; subject, quick-reference, and numerical parts indexes. Manual is available from **Bendix Filter Div., Bendix Aviation Corp., 434 W. 12 Mile Rd., Madison Heights, Mich.**

Facilities available for injection plastic molding such as: design and engineering department, complete mold-making department, and press rooms are described in new brochure. The plant has in-plant loading docks, ample storage space and wide aisles for the transport of bulky materials. Brochure is available from **Makray Mfg. Co., 4400 No. Harlem Ave., Chicago 31, Ill.**



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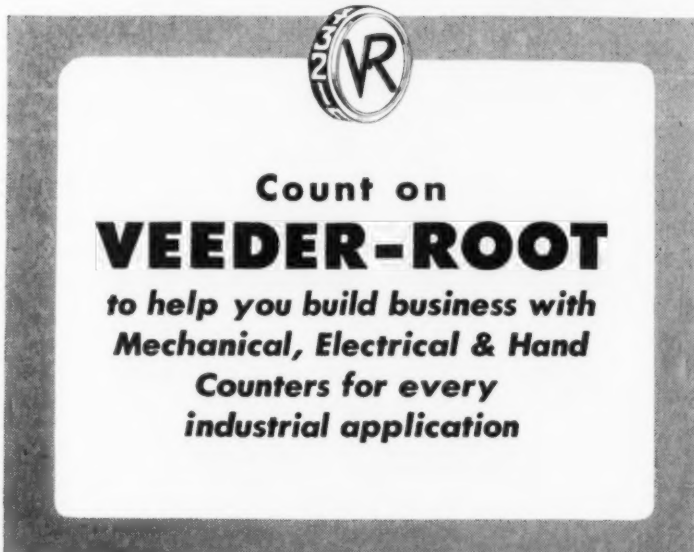
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Curtiss-Wright Installs Rotary Forging Process

Buffalo, N.Y.—Curtiss-Wright Corp. has installed \$250,000 worth of equipment for rotary forging at its metal processing division plant. Parts now being made with the new rotary forge are truck axles and stepped shafts for Mack Trucks and Bendix.

Plans call for a total of six to eight of the new forges at a cost of from \$1 million to \$1.5 million.

American Viscose Corp. Closes Roanoke Plant

Philadelphia, Pa.—American Viscose Corp. will discontinue operations at its Roanoke, Va. plant which manufactures continuous filament yarns.

The company said no decision has been made as to ultimate disposition of the Roanoke property

or whether the plant will be permanently closed.

The company also announced the formation of a new unit, the Fibers Division, by consolidating the company's Rayon and Acetate Divisions.

Bunker Hill Co. Stops Shutdown of Mines

San Francisco—The Bunker Hill Co. has postponed shutting down its lead-zinc mining and smelter operations at Kellogg and Wallace, Idaho.

John D. Bradley, president, said the Board of Directors

reached this decision "owing to the imminence of a decision, one way or the other, in the House of Representatives concerning government aid to our stricken industry."

Drum-Drying Service Offered by Contract

New York—Morningstar-Paisley, Inc. is now offering to chemical processors on a contract production basis its facilities for drum-drying solutions of starches, resins, etc.

The customer's product can be custom drum-dried and ground

to specification, and ingredients can be mixed or blended before or after the drying operation to fit the needs of the product.

System Speeds Delivery

Beaver Falls, Pa.—Babcock & Wilcox Co. is using an electronic communication system incorporating perforated tapes to transmit and receive messages. The system links 17 Tublar Products Division plants and district sales offices across the country, and is expected to speed up order handling and deliveries, and eliminate costly time lapses and paper work duplication.

Cascades Corp. Develops New Board Material

Portland, Ore.—Cascades Plywood Corp. has developed a new board material, Lebanex. It is a composite board, composed of laminations of veneer, with lebanite hardboard facing on both sides. Material is available in four grades from 1/2 in. to 1 1/2 in., for interior or exterior use.

Cascades recommends the material for table tops, sink tops, furniture, cabinet work, doors, drawer fronts, partitions, and even flooring. The surface takes any kind of paint or clear finish without leaving "dry" spots.

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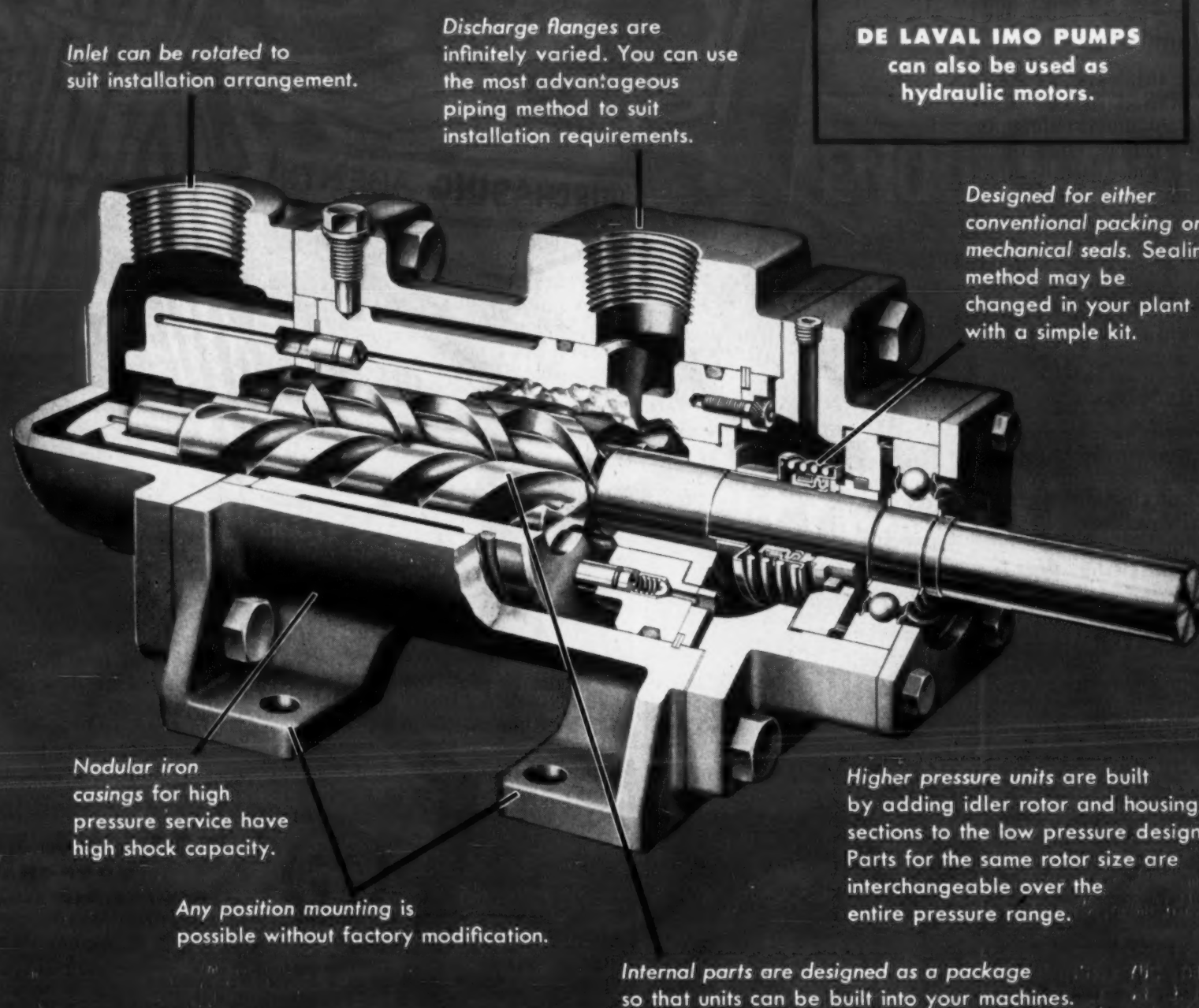
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National Firms Reorganize, Add Divisions to Bolster Production

Nationwide concerns are adding new plants and divisions. The reorganization of divisions, field shops, and warehouse emphasize changes taking place throughout industry. P.W. presents this roundup to keep you, the P.A., informed.

Recent changes announced by companies around the nation are:

Halifax Paper Co.

Roanoke Rapids, N. C.—The Halifax Paper Co. has announced a \$6,250,000 expansion of production facilities here.

The project includes installation of a new No. 4 papermaking machine capable of producing 225 tons of heavyweight paper-board daily. It is expected to be in production by June, 1959.

Columbia-Southern Chemical Corp.

Pittsburgh, Pa.—Construction has started at Columbia-Southern Chemical Corp.'s cement plant at Barberton, Ohio. The million-dollar plant, scheduled for completion in December, 1959, will have an annual capacity of 1.5 million barrels.

Tectum Corp.

Newark, Ohio—Tectum Corp. has opened a new multi-million dollar plant at Arkadelphia, Ark. to manufacture Tectum, a light weight building material. The plant will serve the Dallas-Fort Worth area.

Harvey Aluminum

Torrance, Calif.—Harvey Aluminum has started regular production at its aluminum reduction facility at The Dallas, Ore. First commercial output will be delivered in from 60 to 90 days.

The company will ship primary metal in a wide range of specifications to meet any standard or special requirement, it said. Capacity of the smelter is more than 100 million lb. a year.

Stemco Mfg. Co.

Longview, Texas — Stemco Mfg. Co., St. Charles, Mo., has announced plans to move its offices and production department here in November.

Stemco makes specialized products for trucks and tractors

cific Division has been reorganized and will be called the Western Wooden Box Association. The group will continue its activities to promote use of standard nailed wooden boxes and veneer covers.

Westinghouse Gears

Pittsburgh, Pa. — Westinghouse Electric Corp.'s gearing division has set up field assembly shops and warehouses in Philadelphia, Chicago, and Emeryville, Calif.

The shops will stock parts for the company's moduline gearmotors, package motor reducer drives, concentric shaft reducers,

and shaft-mounted speed reducers, in the 1 to 30-hp. ratings. The company guarantees a maximum of three days delivery on over 20,000 different style numbers of moduline gearing units.

W. Virginia Pulp & Paper

Torrance, Calif.—West Virginia Pulp & Paper Co. has acquired the multiwall bag making facilities of Fulton Container Co., Los Angeles.

West Virginia will install additional multiwall equipment and a line of grocery bag machinery at the 135,000-sq. ft. plant. Ful-

ton will continue to operate its textile bag business.

Port Houston Mfg.

Houston, Texas—Office and shop equipment of the liquidated United Pipe Fabricating Co., Inc., has been purchased by the Port Houston Mfg. Corp., Galena Park. The equipment will supplement Port Houston's present business and will add about 50% to the plant's productive capacity.

Port Houston makes ASME unfired pressure vessels, bulk storage units, hoppers, chutes, refinery equipment, welded steel pipe, and casing field welding.



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Purchasing Perspective

AUG. 18-24

(Continued from page 1)

else for somebody to do something about controlling inflation before it gets a toe-hold. **Smart buying in industry can take a lot of gas out of the inflation balloon.**

Smart buying is a pro's job—a job for professional purchasing executives.

It's like the advice often given by wives of do-it-yourself enthusiasts—"if you want a job done right, give it to a pro." It makes sense.

Imaginative-minded shipping men started looking into their crystal balls last week when the story broke about the nuclear-powered submarine Nautilus.

They envisioned the day when ocean cargo would move by submarines back and forth along the new sea route under the ice.

The shipping distance from Seattle and Portland, Ore. to London via water could be cut by almost 5,000 miles—miles mean money in transportation.

But another happening last week—the President's signature on the Railroad Aid Bill—brought these same shippers and others back to solid ground.

The bill includes a rate making section already stirring controversy between rails and truckers. The railroads claim it gives them the power to lower freight rates where they are in competition with other shippers. The truckers say no. The Interstate Commerce Commission says nothing.

It should come to a head rather quickly since the rails are expected to test the measure by lowering a few rates and requiring the I.C.C. to rule on them.

Package Freight Revived on Lakes; First Move Around Labor Day

(Continued from page 1)

Several weeks ago the committee called a special meeting to iron out the remaining details of the program and to set a tentative schedule for launching this "shipping revival."

At the meeting were representatives from the New York Central Railroad, the Great Northern Railroad, Century - Mathews Truck Line, and other transportation and industry representatives.

Peter Mitchel, president of the Steel Products Steamship Corp., a subsidiary of Lake Shore, Inc., of Iron Mt., Mich., pledged the availability of a 350-ft. self-unloading vessel on four-day notice with a freight capacity of 5,700 lb. The boat is already equipped with 50 steel containers manufactured by the Dravo Corp. of Pittsburgh.

President and chairman of the board of the newly organized committee is G. H. Westberg, who is also president of the Northern Cold Storage Co., this city's largest warehousing firm. He hailed the project as an important step forward and urged not only local shippers but others in the surrounding area to participate.

Paulucci predicted that the plan, if successful, could cut the cost of moving package goods between Duluth and New York City from the present rail price of \$1.30 a cwt. to a maximum of \$1.10. With substantial traffic in both directions, he said they could be trimmed as low as 80¢ a cwt.

In addition to reviving Great Lakes shipping and cutting transportation costs, the food company executive listed several other advantages:

Container ship service will

open the Eastern market to the farm products of the Great Lakes area, boost terminal storage space in Duluth, and permit Eastern shippers to compete on equal terms with Chicago shippers in the West Coast market.

Closed Forests and More Building Up Lumber \$4

(Continued from page 1)

\$63 a thousand feet, up from \$61 a week ago and \$59 two weeks ago. Industry officials predict higher prices will cause a number of small mills, unable to operate profitably at lower prices, to return to production.

Some lumbermen feel this increased production will halt the rising prices and might even send some prices lower. Most expect a favorable price situation for at least the next several months, however, with the long-range outlook depending upon the kind of construction weather that prevails in the East next winter.

Metal Imports May Face Tariffs as Result of Study

(Continued from page 1)

iron ore imports was reached, for example, output in this country had been going down. By contrast, imports amounted to 1.3% of domestic production in 1945, in 1957 they had risen to 33%.

If the Commission, which must complete its report by March 1, 1959, finds imports are injuring or threaten to injure any domestic products, escape clause petitions from the industry are a sure bet to follow.

The Commission is not required to recommend any solutions.

Ike Disregards Business Lag, Eyes Inflation as Deadly Enemy

(Continued from page 1)

Secretary of the Treasury Anderson were William McC. Martin, chairman of the Federal Reserve; Raymond J. Saulnier, chairman of the Council of Economic Advisors, and Dr. Gabriel Hauge, the President's special assistant for economic affairs.

Some of the changes already underway and under consideration are:

• A drive to reestablish control over federal spending.

Next January Congress will be asked to kill some of the programs ordered as anti-recession measures this year, particularly in public works. Officials will review all programs involving veterans aid, agricultural price supports, a reduction of programs in which the government guaranteed loans, insured mortgages, and direct government loans. The Administration will try to revive some of the budget-slashing zeal that swept Washington last year, before the recession set in.

• A broad move to sharpen competition.

This means less protection for agriculture if some of Eisenhower's advisors have their way, a sharp look at administered pricing policies of big corporations, and a stern attitude toward appeals for relief from foreign imports. Perhaps look for legislation to lessen the power of big unions to push up wages in key industries.

• A tightening of credit.

Under Chairman William McC. Martin, the Federal Reserve has already called a halt to the easing in credit that began last November. Its officials make clear that money is bound to be scarcer, and more expensive, in the months ahead.

There are obvious inflationary implications in such events as the rising federal deficit, the Near East tension, and recent price advances for basic materials.

Impact Exaggerated

But the impact of these events, policy makers agree, is being greatly exaggerated in the public mind and particularly in the financial markets. The extent of the rise in stocks and the drop in bonds is out of all proportion to the actual outlook.

What the Administration and Federal Reserve want to do is block this trend of thought before it breaks loose and begins a real flight from the dollar.

Officials are puzzled by the strength of inflationary expectations in light of the basic economic signs.

Food Decline Important

The expected decline of 2 or 3% in the food portion of the Consumer Price Index is important because food takes about 28% of the average family budget. Roughly, a 3% drop in food would reduce the entire Price Index by a little less than 1% if other prices remain steady.

Put another way—and this is what concerns the economic strategists—a rise of 1.5% in the non-food part of the Index will wipe out the expected drop in food. A rise of more than 1.5% in the price of such things as

autos, household appliances, transportation, medical services, haircuts and the like, means the Index will keep on climbing.

Many officials feel that the rise in the non-food sector will be in the neighborhood of 2 or 3%. Thus they expect only a moderate increase in the cost of living over the next 12 months.

There's no run-away inflation in this kind of picture, as the Administration is pointing out with increasing emphasis. They think price trends of consumer goods will be a major factor in dampening inflation fears.

But outside the consumer price field, officials aren't so hopeful. They think wholesale prices will move up more sharply than consumer prices, though still not at an alarming rate.

For one thing, recovery is starting from a rigid wage and price base which did not soften during the recession. In fact, wages kept going up, and so did prices at the consumer level. This was a surprise to many people, and leads easily to the assumption that with recovery, an even steeper climb will get underway.

This man-in-the-street guess about inflation was then pointed up by three events. The price of steel and aluminum was raised with both industries operating far below capacity; U. S. troops were landed in Lebanon; stocks rose and bonds declined, meaning the financial community was placing its bets on inflation.

Synthetic Rubber Firms Praised for Competition

(Continued from page 1)

General William P. Rogers in handing to the Senate Banking Committee the third annual installment of ten scheduled annual "watchdog" reports on competition among the companies that bought the government's synthetic rubber facilities in 1955.

But Rogers was critical of what he called "the almost complete lack of price competition" among the companies. A number of the surveyed small fabricators also criticized this price uniformity, but many also cited favorably their suppliers' "predictable" and "stable" prices.


Rogers was referring to the fact that ever since private industry took over the plants in mid-1955 it has charged 24.1¢ a lb., delivered, for S-type rubber, the same price charged under previous government operation and ownership.

Capacity Totals Listed

The report disclosed these U. S. capacity totals: S-type, 1,456,200 long tons expected by Dec. 31, 1958, up from 1,387,700 tons at the end of 1957 and 799,700 tons in mid-1955. Butadiene, 1,193,600 short tons on Dec. 31, 1958, up from 1,081,000 tons a year earlier and 713,000 tons in 1955; styrene, at least 675,000 short tons at the end of 1958, up 45,000 tons in the year. Butyl rubber capacity will be up about 45,000 tons by mid-1960 to 180,000 tons; neoprene and nitrile rubbers will remain at about today's 200,000 tons for several years.


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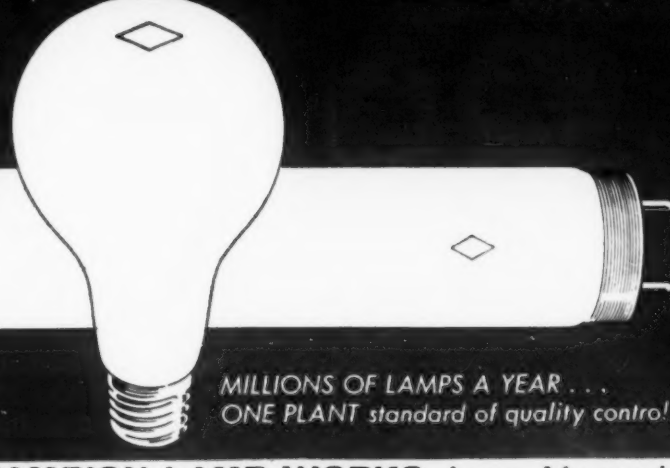
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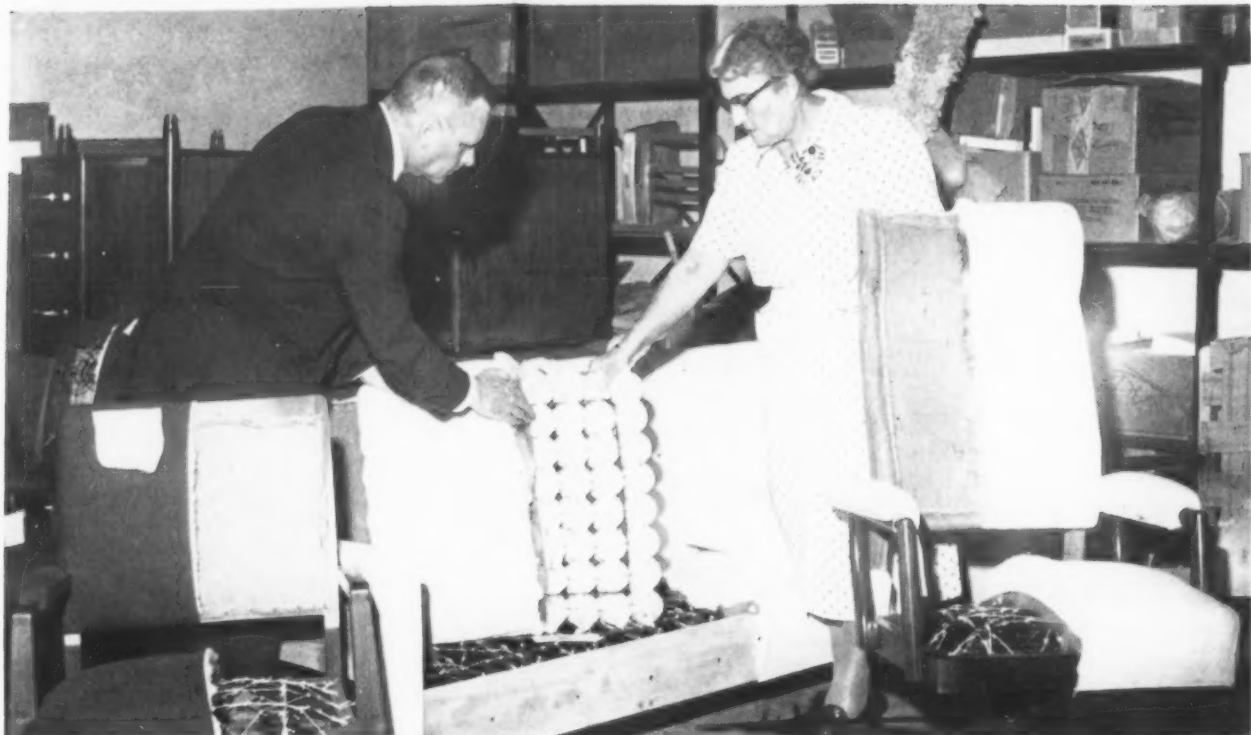
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FURNITURE FOR EACH JUDGE will include three bench chair, all upholstered in top grain leather. Originally judges insisted on four guest chairs.

Courthouse Furnished Despite Budget Slash

(Continued from page 1)
out how to fill 800,000 square feet of floor space, including various courtrooms, chambers, and offices with all the necessary furniture and equipment for just \$800,000.

And he did it!
Calin had been able to whittle the estimates down to the \$1,600,000 figure in the first place only through intensive standardization meetings with a special committee of judges and representatives from the other tenant departments. Adoption of the new budget meant starting all over again.

Must Take More Active Role

Originally, the prospective occupants had sent committees into the field to determine their needs and desires and to get estimates which were relayed to the county P.A.'s office. But now it was necessary for the purchasing department to take a more active role.

Since the building will house 105 courts, the county clerk's department, the marshal's office, and a division of the sheriff's office, and since all these require certain minimal furnishings, it was difficult to cut down on the number of items purchased.

Calin was able to convince the judges, however, that they could do just as well with three guest chairs as with four in each of the chambers and so on down the line. The cuts would have to come, Calin felt, in quality, or rather in luxury.

Must Trim Item-by-Item

The P.A. also was forced to do the trimming on an item-by-item basis since there was no single area from which to lop off a large percentage of the original budget.

He called on distributors and manufacturers to set up sample courtrooms and chambers, using items of standard manufacture rather than the custom made furniture the judges had formerly requested.

Already annoyed at being denied the custom made furniture, the judges' committee reluctantly viewed what was now available. In the case of a certain type of desk, the committee favored accepting what happened to be the seventh bid. Using some purchasing logic, Calin hit home when

he argued in favor of the low bid.

"This is a perfectly good desk," he told them. "I don't have a good reason for turning down the low bid. Now, if there were a restraining order and I was called in to appear before you fellows and explain why I didn't take the low bid, what would you say?"

The judges reluctantly agreed the low bid desks would be fine.

Not One-Sided

But these conferences were definitely not one-sided, Calin pointed out. The judges, themselves expert in argumentation, won him over to their contention that it was necessary to have a specially-designed rolltop desk in each courtroom so that exhibits could be tagged and locked up by the court clerk without distracting attorneys or juries from the proceedings.

Events outside the P.A.'s control also played a big part in helping him stay within the mutilated budget.

For example, county purchasing had originally standardized on a make of metal rotary chair with spring seat and one-inch foam rubber. But by the time these chairs went out for re-bidding, the brand name manufacturer had changed the design to 3½-inch foam rubber and no spring. This change was put out to the bidders and under the new specifications there resulted a saving of \$15,000 on 830 chairs.

Competition "Terrific"

"Competition was terrific on all items," Calin said. "On some things we have 15 to 20 bidders. But what really amazed me was the low bids they submitted."

Here are a few examples of what Calin, who knows prices, expected to pay, and what he actually did pay:

	Anticipated Price	Actual Price
• 78" x 42" executive flat top desk	\$350.00	\$185.53
• Judge's high back full grain leather chairs	200.00	121.23
• Rolltop desks	500.00	339.00
• Class A legal size files	78.00	67.00

Asked why these favorable prices were available, Calin said, "It might be that the recession sharpened competition, but somehow I doubt that was the reason. If it were, you'd expect all the bids would be low, but actually

there was quite a spread between the low and high bids.

"A lot of vendors told me that they just had to get something into that courthouse and were willing to go in at a very low bid to do it," the P.A. explained.

"They feel they get a lot of promotional value from having their products in the nation's largest courthouse. When they sell other private and governmental institutions they can point to the job they did for the Los Angeles courthouse. And we're happy to let them come in and take pictures for use in their promotional literature, especially in view of the prices we got."

Calin said all the bids are now in and currently under consideration. At this point, no matter which bids are accepted, the purchasing department will still be within budget.

He gave much of the credit to his staff, especially Mrs. Julia Lindstrom, deputy P.A., William Simpson, asst. deputy P.A., and William Clark, student professional worker.

Calin won't say exactly how much under the budget he managed to stay, but he declared happily:

"I think we'll have enough money left over to give the judges something better than an 85¢ wastebasket—but it won't be a \$6.40 basket."

Teamster Strike Tying Up West; Employer Lockouts Add to Woes

(Continued from page 1)

The truck drivers struck on Aug. 11. Lockouts followed also immediately. Some 100,000 workers are now affected, including Teamsters', office workers, and terminal warehousemen.

The California Trucking Associations, Inc., representing 1,600 employers participating in the lockout, estimates that 150,000 trucks are off the road, including 1,000 daily between San Francisco and Los Angeles. Daily loss of revenue will amount to some \$2.5 million.

R.R.'s Stop Piggyback

Railroads have stopped "piggyback" hauling, and no longer are accepting LCL shipments to go in or out of the strike area. Southern Pacific Co. says its freight depots are completely jammed. Carload lots still are being accepted.

Teamsters will continue to move goods on government bills of lading, U. S. mail, and perishables.

Employer groups locked workers out following start of a strike by joint council 38 of the teamsters against pickup and delivery firms from Bakersfield north to the Oregon border and into Nevada, claiming that a strike against one employer is a strike against all. The men are seeking parity with six San Francisco Bay area locals, which earlier this month won a \$1.60 a day wage hike.

Will File Protest

Einar O. Mohn, president of the Western Conference of Teamsters, said his groups will file a protest with the National Labor Relations Board immediately, charging the employers with violation of fair labor practices. They claim the lockout was illegal under Taft-Hartley provisions that "an employer cannot lock out employees not covered in past collective bargaining negotiations." In addition, Mohn says the Teamsters will file suit in federal court for damages to cover the wages of 40,000 teamsters, estimated at \$800,000 a day or more.

The present deadlock may mean that western teamsters and employers will have to start almost from scratch in wage negotiations. Since February, em-

ployers and Teamsters have attempted to negotiate uniform contracts for the 11 western states. Agreement was reached in a May 27 meeting in San Francisco, and was to be ratified in Seattle June 25 by a committee of employer and Teamster representatives.

According to C.T.A., James R. Hoffa at that time said the agreement was not satisfactory, and made additional demands, which the employers rejected. Meantime, line haul operations have been conducted under a memorandum of agreement, but no contract has been signed.

Auto Strike May Hit Ford Soon

(Continued from page 1)

Ford, and General Motors councils, the union executive board deferred action. This was merely a procedural maneuver to let the industry know a strike could occur at any time.

Profit Sharing Not Likely

Although the auto labor boss continues to emphasize his dramatic profit sharing scheme, observers feel he would be glad to settle for a productivity factor closer to 3.9% than the present 2.5%, extension of supplemental unemployment benefits from present 26 weeks to a year, and pensions tied to the cost of living.

Reuther is not likely to get such a package. It would cost the industry a wage hike of about 21¢ a hour.

In fact, the big three are adamant in offering nothing but contract extension, and they are united in this front. This unity has no previous precedent in auto industry labor relations history. As a result, negotiations are completely stalemated.

Has Money for Ford Strike

The union has about \$40 million in its strike fund. It could finance a strike against General Motors for only five weeks. Against Ford, it has money for double this time. Chrysler is not a likely target because a strike there would be mutual suicide. The economic facts point to a strike against Ford.

There arises the \$64 question: What will G. M. and Chrysler do if Ford goes down. A lockout in sympathy would be illegal. Not much could be done, however, if these companies decided on mass layoffs and token changeover.

Ford is currently scheduled to shutdown around Sept. 1. The changeover will take about two weeks. Therefore, if the U.A.W. decides to strike and pick this as their target, it will most likely occur during the last two weeks in September.

Lifschultz Cuts Rate

New York—Lifschultz Fast Freight has reduced its rate to \$2.44 per cwt. for 15,000 lb. shipments of power shovels and parts and electric traveling crane parts from Milwaukee to New York for export. The old rate was \$3.34 per cwt.

McGraw-Hill Indexes

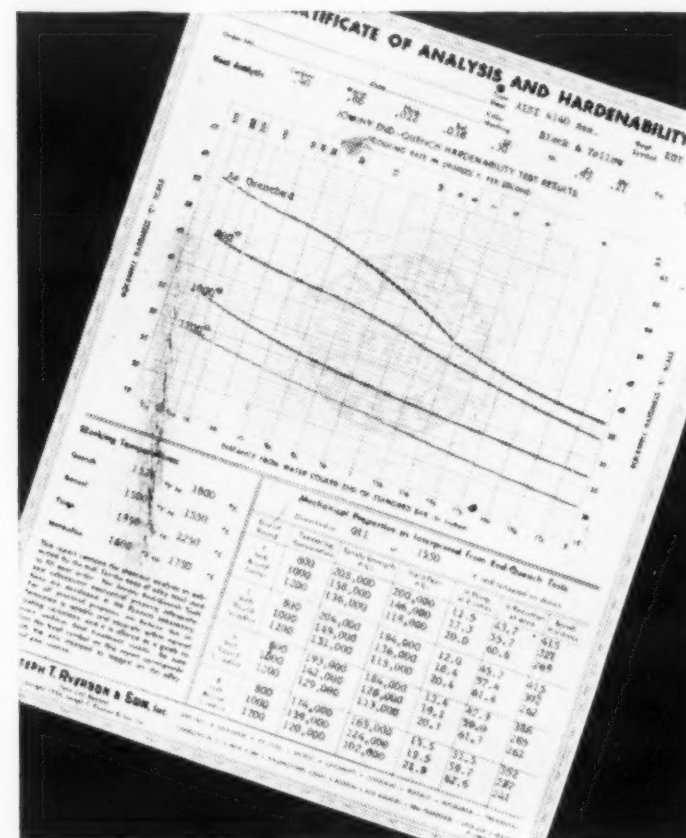
	Latest Month	Month Ago	Year Ago
Basic Chemicals Price Index	110.7	110.7	110.5
Chemical Week			
1947 = 100			
Construction Cost Index	764.4	762.5	738.5
Engineering News-Record			
1913 = 100			
Electrical Materials Cost Index	110.4	110.4	113.2
Electrical Construction & Maintenance			
November 1951 = 100			
Metalworking Products Price Index	155.9	155.9	151.5
American Machinist			
1947 = 100			
Non-ferrous Metals Price Index	167.2	164.7	184.3
Engineering & Mining Journal			
1922-24 = 100			
Petroleum Refinery Products Price	90.6	88.4	99.6
Averages Index			
National Petroleum News			
January 1957 = 100			
Plant Maintenance Cost Index	168.0	167.8	165.8
Factory Management & Maintenance			
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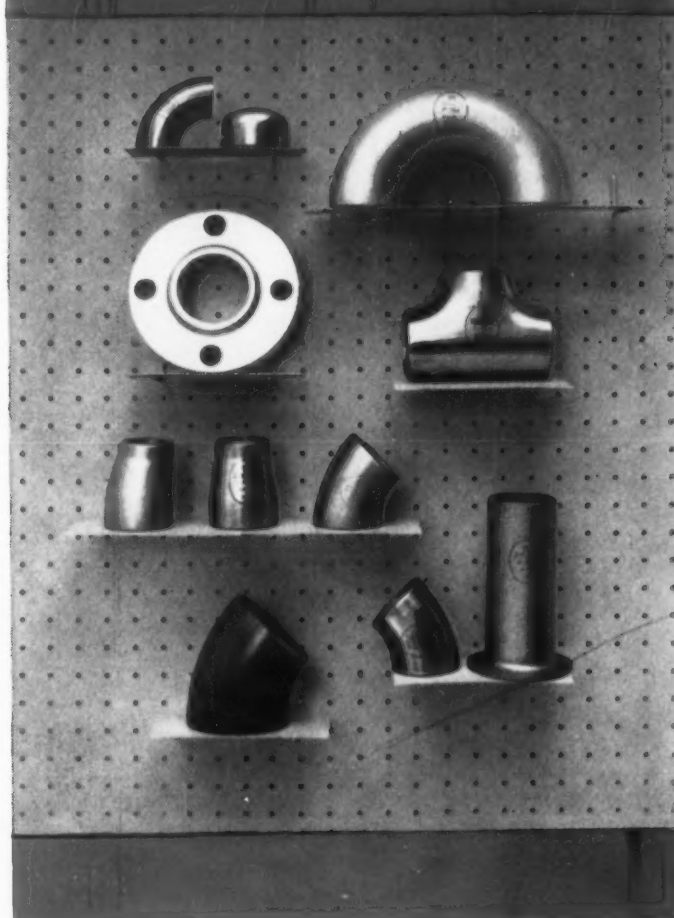
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